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Dienstbier Interviewed About Maastricht Treaty

92BR0761A Brussels LE SOIR in French 22 Sep 92 p 2

[Interview with Jiri Dienstbier, former Czechoslovak minister of foreign affairs, by Andrej Jagodzinski in Prague; date not given]

[Text] [Jagodzinski] As former Czechoslovak minister of foreign affairs from the velvet revolution up to the elections in June 1992, how do you view the result of the referendum in France?

[Dienstbier] I would like to congratulate the French people who voted in favor of the Maastricht treaty. I consider the result to be extremely positive. Having said that, the fact that the majority voting in favor was very slim—especially after the (equally close, but equally valid) no vote by the Danes—indicates that there is still a long way to go toward integration.

[Jagodzinski] What is your analysis?

[Dienstbier] I believe that the Maastricht treaty has been poorly explained or poorly understood. Some people wrongly believed that it threatens to standardize cultures or civilizations. However, what it really aims at is a form of integration that respects cultural, national, and regional pluralism. The French, therefore, declared that they were in favor of a common Europe, while at the same time sending an important message: They want further debate on the definitive image of their Europe. I believe that the debate will last several more years.

[Jagodzinski] So what does that mean for the countries of Central and Eastern Europe?

[Dienstbier] I feel that an affirmation of the desire for an integrated Europe is positive for us, too. When the Maastricht treaty is ratified, our countries will have to take an active part in the debate so that we can contribute our experiences. Together, we must work out ways of integrating our continent which will create a Europe that is pluralistic, balanced, and based on solidarity and is attractive to everyone.

[Jagodzinski] What role can Czechoslovakia play?

[Dienstbier] Czechoslovakia or, more correctly after the separation the Czech Republic and the Slovak Republic, must first resolve their own affairs and define their objectives. Only after doing that will they be able to take real steps toward their own integration into Europe.

[Jagodzinski] In France, integration into Europe was decided by a non-compulsory referendum. In Czechoslovakia, the division of the country will probably be accomplished without a referendum. As a minister in all of President Havel's Czechoslovak governments, how do you view that issue?

[Dienstbier] I think that the decision by the French leaders reflected their sense of responsibility. Although

they risked failure, they came to the conclusion that an issue of such crucial importance must have the approval of the nation.

Proposed Rail Link Between Macedonia, Bulgaria

93BA0076A Skopje NOVA MAKEDONIJA
in Macedonian 5 Oct 92 p 3

[Article by A. Maninski: "Bypass to the Macedonian 'Appendix'"]

[Text] *The initiative of Bulgarian public figures and economic managers on building a railroad linking Strumica to Petrich has recently become more topical with the blockades imposed along the Macedonian southern and northern borders. The idea is old, but, in the past, matters never went beyond a few bridges and embankments for the tracks.*

The biggest news of the year for the people of Strumica would certainly be the agreement concluded by the mayors of Strumica and Petrich on the implementation of the joint initiative of linking these two neighboring cities in Macedonia and Bulgaria with a railroad that would follow the Petrich-Strumica-Radovis-Stip corridor. Some people were attracted by the initiative-mindedness and resolve of the two mayors representing the new times in the two neighboring opstinas, and others by the very idea of linking Macedonia to Bulgaria with a direct railroad connection. At the same time, virtually everyone believes that, for Strumica, building a railroad would be the optimal and most rational solution to the communication problem, which, in addition to its major production and commercial potential, has so far, because of bad connections, been treated as an "appendix" of Macedonia and of that part of the Balkans.

Initiatives

Although documentary proof is difficult to obtain in Strumica, it is a fact that, as older Strumica residents remember, trains in that region are not a new idea. In prewar times, there were a number of initiatives to link Strumica to Petrich. During the war, some initiatives went so far as to be implemented. It was to that effect that a plan for laying the tracks was drafted, and, in several places between Petrich and Strumica, several small concrete bridges and embankments were built. Judging by the discussion between the mayors of Strumica and Petrich, Petar Brckov and Kostadin Manolev, the implementation of the project was so advanced that the arrival and the laying of the rails, which had been ordered from Germany, were already expected.

When the war ended, the reestablished borders and the political relations existing between the two neighboring countries put an end to that already started project. The Yugoslav State, as well, contemplated the inclusion of Strumica within its unified railroad network. However, the view is that those ideas did not go beyond the overall development documents of the state, the Republic, or the area, and kept being postponed in the expectation of

"better times." The supporters of the idea insisted that students at the Skopje University School of Architecture had made studies, either as an exercise or a graduation assignment, concerning the profitability of an eventual Stip-Radovis-Strumica railroad linkage, but that, invariably, the results of such studies were either negative or of questionable profitability. Furthermore, the elements of such computations were based on statistical indicators of a period when Strumica and its area were not what they are today. In general, the possibility that Strumica could become a railroad hub linking neighboring Bulgaria and Greece and, through Bulgaria and Turkey, the Middle East, was totally ignored.

Arguments in Favor

With the breakdown of Yugoslavia and the proclamation of Macedonian independence, initiatives on linking Strumica to the network of rail communications once again became topical. Under the new circumstances, such arguments even assumed the dimensions of a decisive factor in the future development of the young Macedonian State. Within this framework, being currently a major production and consumption area with extensive unused potential but poor transportation facilities, the idea is to establish a Stip-Radovis-Strumica-Petrich rail corridor, with one spur leading to Greece, as being economically most efficient, and as an ecologically most justified communication plan.

However, regardless of whether and when Strumica can acquire the protected status of a customs-free zone—something Petrich recently demanded of the Bulgarian Government—it is unquestionable that linking those two areas with a railroad would provide a strong economic impetus not only to Strumica but also to the entire eastern Macedonian area and Macedonia in general, with a view to the already expressed concept of establishing the so-called Drac-Burgas eastern axis and studies including the major Macedonian "Vardar Basin" project. Hence, the expectations of economists in that

area of a significantly greater utilization of natural resources and production-raw material potential and their marketing in European and Middle Eastern markets are entirely justified. This will make possible the full utilization of the objective possibilities of Strumica and of a wider area for economic links, and optimize the strategic position of that part of the Balkans, not only as a raw material base but also as a possibility for the use of capital investments for building industrial-processing projects.

Other Advantages

In addition to the possibility of including Strumica and its general area in international transit, this initiative leads to other comparative advantages of interlinking domestic rail transportation systems, particularly bearing in mind an alternate connection to Gevgelija within the already mentioned "Vardar Valley" project, the more so because Strumica and the wider area around it produces more than 300,000 metric tons annually of a variety of agricultural, industrial, and other goods, which, at the present time, have no marketing outlets, foreign or domestic, other than by truck. Nor should we underestimate many other unused raw material, industrial, and energy potentials, parts of which are not contributing to economic development precisely because of inadequate transportation facilities.

For all of these reasons, which, naturally, from the empirical point of view could be increased or reduced, the protagonists of the idea of laying the Stip-Radovis-Strumica-Petrich tracks, with a possible future spur to Valandovo-Dojran-Gevgelija, believe that the government and the other pertinent institutions and factors in the Republic will pay proper attention to this initiative. Actually, whether it wishes it or not, with its experience gained from the numerous blockades and the blocking of its southern and northern borders, Macedonia must seriously undertake the specific implementation of the updated and, one could say, forced alternative of developing the so-called East-West axis.

Head of Teraton Company on Mishev Affair

93BA0121A Sofia 168 CHASA in Bulgarian 20 Oct 92
p 18

[Interview with Mladen Mutafchiyski, head of the Teraton company, by Zoya Dimitrova; place and date not given: "Someone Laying Smokescreen Around Mishev and the Grenade Launchers"]

[Text] The head of Teraton, Mladen Mutafchiyski, did not arrange the meetings of the prime minister's special adviser and wants to be heard by the National assembly.

[168 CHASA] Mr. Mutafchiyski, is Teraton, a government corporation, a threat to the government of Bulgaria?

[Mutafchiyski] I believe that just the opposite could be said of all our actions up to the present. What Teraton has done from its foundation up to the present, with a relatively small number of personnel, with a high level of good organization, has yielded very good commercial results. On the basis of these commercial results, the firm has had good earnings throughout the years. And, because Teraton is a corporation wholly owned by the government, it does not engage in transactions that might in any way violate laws and regulations.

Last, in its activities, Teraton tries to attract foreign investments; it tries to bring foreign capital to Bulgaria. I fail to understand the populist pronouncements to the effect that every instance of attraction of capital is a scheme for eventual subjugation of our economy.

[168 CHASA] Teraton participated in the proposed deal of selling arms to Macedonia. Just how successful has your corporation been in clearing up in advance all the delicate situations that would result from carrying out the deal?

[Mutafchiyski] Teraton participated in dealing with the possibility of negotiating such a transaction. How? In April, a privately owned Blagoevgrad company, Keri 91, contacted us, stating that it had obtained our name from the mass communications media as a firm that has experience in trade in and potential exports or exports of special products. The president of Keri 91, Valeri Kerin, made a request. As a government corporation having some insight into these matters, we thought it advisable to inform our government immediately, in the person of the Minister of Defense (through the proper channels), because Teraton was at the time under the jurisdiction of the Ministry of Defense on the basis of a ministerial order. We asked that we be given an answer to the question of whether we should even discuss a transaction of this kind, considering that there would have to be a clear-cut political decision in addition to the purely economic prerequisites.

We received no response from the Ministry of Defense. A month later we received an enquiry from the chairman of the Council of Ministers regarding this deal, and we made the appropriate response.

[168 CHASA] Did you receive a direct answer as to whether this proposed transaction should be carried out?

[Mutafchiyski] In his reply, the prime minister asked us to clarify the matter of the company or the channel through which contact was made with the Republic of Macedonia, either officially or in the form of a proposal, and of whether the Macedonian authorities are aware of this proposal. On the basis of his letter, on 20 May Teraton drew up a reply of the same date. We gave an answer about the manner in which contact was made with Macedonia, stating that it was made through an intermediary and that no Teraton employee negotiated directly with Macedonia. We explained that, according to Keri 91, only they maintain permanent contact with Macedonia.

[168 CHASA] Did your corporation investigate these statements by Keri 91 to find out if they were true? If Keri 91 is in contact with the Macedonian side, what is the status of your corporation? Does it have experience in transactions of this kind? Does it have contacts concerning the execution of transactions of this kind?

[Mutafchiyski] Before beginning any corporate investigations, we had to have authorization from the government, inasmuch as this is a transaction involving special property. The Bulgarian Government might want to have another company process the transaction, or it might decide not to have anyone process the deal.

Keri 91 employees stated that they have a profitable deal but were not dealing with special products.

They asked Teraton to undertake technical support of the transaction. They pointed out that they have contacts with officials in the Macedonian administration who want Keri 91 exclusively to be involved in the transaction. They pointed out that they also have good contacts in our government; for the time being, I will refrain from giving the names they cited.

[168 CHASA] But did they cite names known to the public at large?

[Mutafchiyski] They were important names, of course, but I told them that I could not even give them advice as to whether they might utilize their acquaintance with these people, if they really do know them.

In this connection, for example, OTECHESTVEN VESTNIK of 16 October published an article entitled "Arms Illusion," weaving together indisputable facts, half-truths, and downright ridiculous statements, creating in my opinion an entirely wrong idea of the entire plan for the transaction. The article gives names of people with whom I am unacquainted, such as regional director Pranzhev.

This article states that the president of Keri 91 held talks with Iliya Pavlov of Multigrup and with Mladen Mutafchiyski of Teraton. Yes, it was alleged that they held talks with me, but, as regards Multigrup, such talks are unknown to me. Multigrup did not engage in talks

with Keri 91. What was sought was simply a multiplying effect. We do have good trade relations with Mr. Pavlov and Multigrup. But this does not mean that Mr. Pavlov and Multigrup engage in all sorts of deals with Teraton.

Nor is the tone of this article especially correct with respect to Matrix.

The president of Matrix International, Mr. Robert Paris, clearly states that he is coming to Bulgaria at the recommendation of former Assistant Secretary of State Lawrence Eagleburger, who, in his report to the Senate, recommended that U.S. businesses be more active in the countries of the former Communist bloc, giving Bulgaria a high recommendation. Representatives of Matrix International held a number of talks with government officials in order to gain a clear idea of the actual terms for doing business in the country.

Matrix never intended to privatize the VPK. It wants to participate in the quasi-preservation to be carried out here. I see nothing reprehensible in Matrix's desire to work with the Bulgarian market. Matrix is a serious company, and I believe that reading such articles would not encourage it to work in the future in Bulgaria.

Teraton submitted complete documentation for a license eight, nine, or 10 months ago, having previously turned out products as provided by law. Up to the present, we have received no response, either affirmative or negative.

[168 CHASA] Has Teraton taken other unofficial action in connection with the transaction in question?

[Mutafchiyski] No.

[168 CHASA] Did you arrange the meeting with Konstantin Mishev in Blagoevgrad?

[Mutafchiyski] No. It is alleged that Iliya Pavlov and I arranged a meeting with Konstantin Mishev in Blagoevgrad. Insofar as I am concerned, I learned about this from the media. Mr. Mishev was surprised, and I am surprised, because I never arranged a meeting with Mr. Mishev.

[168 CHASA] Were you informed by Mr. Kerin of his trip with Konstantin Mishev to Macedonia for talks there?

[Mutafchiyski] No, on the contrary. Mr. Kerin broke off contact with us two weeks before the date of that trip.

[168 CHASA] What do you mean by "broke off"?

[Mutafchiyski] He had been getting in touch with us once or twice a week to ask if there were any results and if he could be of any assistance. He stated several times that he had had important meetings. If parliament decides to hear me out in closed session, I can be even more specific.

[168 CHASA] Consequently, the proposed transaction left your jurisdiction two weeks before the departure of the prime minister's personal adviser?

[Mutafchiyski] Yes, but even earlier than that. What was this transaction that was to continue to be of topical interest for three months? As people who have been dealing with foreign trade for more than 15 to 20 years, we simply decided that this deal would not come about. The prime minister probably had reasons of his own for dispatching his special emissary to hold these meetings.

Social Democratic Weekly on SDS Difficulties

93BA0119A Sofia SVOBODEN NAROD in Bulgarian
15 Oct 92 p 2

[Article by Ruen Krumov: "Restoration of Confidence"]

[Text] The last appeal by the president of the Republic has also been ignored. In his television interview on Saturday, he urged that petty intrigue be brought to an end and that, in place of it, the government concern itself with solving the difficult problems with which the country is faced. In his reply, the prime minister, Filip Dimitrov, assisted by his adviser Konstantin Mishev, again attacked the president, accusing him of lying and trying to discredit the government.

Our public, being unfamiliar with the Konstantin Mishev affair, is greatly disturbed by this now openly declared war between the two most important organs of executive power. How will they be able to govern this ruined country when the two are entirely incompatible and threaten each other with action by the chief prosecutor's office? It is quite clear to any normally thinking political figure that the president, elected by vote of all the people, cannot be turned out of office by constitutional means. All efforts to accomplish this by collecting signatures of parliamentary deputies to have the matter referred to a constitutional court holding the right opinion have been entirely fruitless. And I believe this to be completely clear to jurist Filip Dimitrov, as well. If he intends to become the head of the government, how are future relations with precisely this president to be imagined?

Conceived in a spirit of confrontation and winning the election of 13 October 1991, even if not very convincingly, thanks to this same confrontation, G-39 [group of 39 deputies; refers to "hardliners" in the SDS], currently the unquestioned leading element in the SDS(d) [Union of Democratic Forces-Movement], is as it were condemned to follow the logic of this confrontation. And even though it is a coalition of parties and associations covering the entire political spectrum, as it itself boasts, the SDS(d) already pretends to speak with only one voice, the voice of the new politburo. Anyone who dares violate this unanimity is condemned to be subsequently shown the door. This was the procedure followed with Lyubomir Sobadzhiev, the head of the Citizen Initiative movement, one of the last remaining founders of the true SDS [Union of Democratic Forces]. Dimitur Ludzhev

was also disposed of in this way. The alternative program he submitted was not even discussed. No particularly sharp discernment is needed to predict that such a fate also awaits Asen Michkovski, who is one of the coauthors of the alternative program. And he may be followed by the entire ASP [Alternative Social Liberal Party].

At first glance, the talks initiated with the Movement for Rights and Freedoms seem to be at variance with this logic. But it must not be forgotten that the government majority could not exist at all without the support of the 24 DPS [Movement for Rights and Freedoms] deputies. This was clearly demonstrated by the ignominious dumping of National Assembly president Stefan Savov. Even though the DPS position was labeled "traitorous" by a semiofficial party organ and by individual SDS(d) deputies, talks to "restore confidence" (as was officially announced) could not be started.

I write these lines after the first two rounds of these talks, starting with the nighttime "Crimean" meeting. I remain skeptical about the results of these talks. And, after the first two rounds, the DPS leaders continue to assert that there has been no change in their position to withdraw confidence in Prime Minister Filip Dimitrov. In his turn, one of the most inveterate hardliners in the SDS(d), Georgi Markov, has already announced "no compromises" in DEMOKRATSIYA.

Nevertheless, even if some sort of compromise is arrived at with the DPS, this will mean only prolonging the agony of this government. This means that it cannot "change its spots" and abandon its previous policy, as a result of which a slight minority becomes richer, uniting itself more and more to form an enormous majority.

It may be assumed that the deepening conflict between the prime minister and the president will have an unfavorable effect on the talks between the SDS(d) and the DPS. It must not be forgotten that the DPS has already declared on several occasions that it supports the policy of the president favoring national harmony. The renewed attacks on the president can only intensify suspicion toward the current spokesmen of the DPS.

The trouble is that, as the situation is now developing, the SDS(d) is not in a position to propose an alternative team with which to form a government. It is obvious that Filip Dimitrov will fight tooth and nail for his own survival.

One of the paradoxes of our political reality is that, to judge by sociologic studies, the solid dark blue electorate will remain at the same level and will not lose its confidence in the current right-wing leadership of the country. The question is whether it will continue to be such after another harsh winter.

Of particular significance in this light is the memorandum of the 13 parties in the political center, who stand firmly behind the president's policy advocating dialogue and national harmony. But the success of the

political center will depend largely on the position to be adopted by the BZNS [Bulgarian National Agrarian Union], which, let us hope, will ultimately achieve this anticipated unity at Michaelmas.

Rate, Reasons for Suicides Among Recruits

93BA0002A Sofia DEMOKRATSIYA in Bulgarian
24 Sep 92 p 6

[Article by Mariya Lyubenova: "Suicides in Dusty Greatcoats"]

[Text] "Good-bye, Mariya! I shall be back in 700 days...." Emil Dimitrov once wrote for the soldiers in their dusty greatcoats. The trouble was that some of them never came back, nor are they coming back now. When we speak of reforms in the Bulgarian Army, and when generals are being replaced and authoritarian commanders punished, young Bulgarian soldiers are continuing to commit suicide by hanging themselves. Why?

Information on crimes, based on the sentences passed by military tribunals between 1 January 1991 and 31 December 1991: Within the system of the Ministry of Defense, this covered 51 crimes against individuals, including two premeditated murders, eight cases of manslaughter caused by carelessness (excluding traffic accidents), eight cases of premeditated bodily damage, and three crimes based on Articles 149-157, crimes involving fornication and sadistic homosexual acts. There were 35 cases of rape of military personnel and 33 cases of beating and insulting military personnel. There were 28 crimes of violence and perversion. Statistical data for last year collected by the military courts department of the Ministry of Justice are depressing. Documentation on committed crimes is lengthy and varied. It would be tendentious to believe that this is the background against which the boys in the Bulgarian Army try to commit suicide. However, it is worth considering whether these facts may be related to the stupid act of committing suicide, at least in some cases. Actually, the reasons for this frequently remain unknown. In principle, all acts of suicide are subject to an investigation to clarify the reasons for the death; the case is closed if no data of violence are found. In 43 suicide cases in the Sofia Military District prosecutor's office (1987-91), it was determined that five of those who committed suicide were mentally ill and had been so diagnosed, while eight recruits were unable to adapt to Army life. In three of the cases, the suicides suffered from somatic illnesses, and, in two cases, there was a neurotic fear of illness. Twenty-three cases of suicide were the result of personal or family adversity. Such dry data explaining the reasons for committing suicide conceal an incredibly primitive mechanism of investigation, which is still being practiced.

No scientific study has been made of the issue of suicides in the Bulgarian Armed Forces. Furthermore, from the very beginning, Army Psychoprophylactics (1979) adopted a purely administrative system. Commissions

were set up in the units, consisting of the physician, the commanding officer, and the political officers, and were assigned the task of determining the risk contingents among new recruits so that they might be kept under observation in the psychiatric wards of military hospitals. The criteria, however, were most general: children of divorced parents or of parents with mental illnesses, alcoholics, and so forth. In the course of time, however, all of this assumed an absolutely formal nature: testimony, instructions, and annual reports, all of it yielding no practical results. Sociological studies on this topic were conducted, but the data were kept so secret that not even the medical service was kept informed. However, specific studies to determine the nature of the psychological climate in the units were not made and are not being made to this day.... Another reason for the tragedy is that to this day the draft commissions do not provide data on psychophysiological studies in determining suitability, which is based on physical condition. Is a future member of the Bulgarian Army specifically suited for a given branch of the Armed Forces? Even women can clearly realize that service in a tank unit is different from service as a topographer. This question has remained an enigma, and the consequence of this enigma, since the start of the year, in the First Army alone, has been 12 suicides: six committed by draftees and six by reenlisted personnel. The study of the overall mental morbidity by group in the various branches of the Armed Forces and the entire Bulgarian Army for the period 1989-91 indicates a 2.45-percent increase in personality disturbances (psychopathic); neuroses have indicated a steady 1.49-percent trend of increase. Greater psychopathic morbidity has been noted among the rank-and-file personnel as compared with the command personnel in all three branches—Air Force, Navy, and land forces.

Between 1987 and 1991, there were a total of 83 suicides, 29 of them by recruits under age 20. During those four years, there were 12 suicides committed by draftees, 16 in the construction troops, three in the labor forces, and two in the border guards. In three of the cases involving recruits, the suicides were committed in the first month of service; four were committed in the third month, seven in the sixth, seven in the 12th, and 13 during the second year of service. Firearms and hanging were the most typical methods used—in 56 of the cases. There were 18 cases of suicide by jumping from high places, eight by poisoning, and one with a sharp instrument.

Specialists from the Medical Administration of the Ministry of Defense and the newly established Center for Psychoprophylactics attached to it claim that there currently are several leading risk factors in the increased number of mental illnesses and suicides. Foremost is the negative and prejudicial attitude of our society toward military service, or the opposite: "Sick or healthy, if you do not go through the barracks you are only half a man." Both factors are interpreted as part of the way of life and spirituality of the Bulgarian people today. The system develops authoritarian commanders because the higher military schools still do not offer a method for teaching officers the skill of establishing psychosociological contacts within the group. Distortions and excesses by "old" soldiers, the lack of studies of the personality traits of individuals, and slackness in discipline prevail. As to the latter, Marsel Levi, the spokesman for the Ministry of Defense, suspects a deliberate neglect involving a political slant: "In the past, there was order and firm political education. Now we have democracy, so act as you like...."

Vaclav Klaus Addresses German CDU Congress

93CH0074A Prague CESKY DENIK in Czech
30 Oct 92 pp 1, 4

[Speech delivered at congress of Christian Democratic Union, CDU, in Duesseldorf by Vaclav Klaus, prime minister of the Czech Republic; date not given: "We Are Striving To Achieve Stability in Central Europe"]

[Text] Ladies and Gentlemen: Permit me to express my heartfelt greetings to your congress and to do so in the name of a party that is active in a former communist country and is, moreover, unequivocally conservatively oriented and also represents the strongest political force of that nation. In this sense, the ODS [Civic Democratic Party] is totally atypical, at least with respect to the territory of the disintegrated communist empire. However, at the same time it means that the successful road taken by the ODS was strenuous and difficult from the very beginning.

The road to political plurality in the CSFR was more complicated than it seems at first glance or more complicated than it might appear from the outside. The period that only lasted a few weeks in the eastern part of Germany, a period in which various romantic intellectuals, who were afflicted with messianic complexes and who had essentially become stuck in communist convictions, were trying out their influence, was extended in our country to virtually two years. The ODS can boast of having made a decisive contribution to seeing to it that, in the final analysis, the classical concept of political democracy was able to assert itself—a democracy based on the activity, conflict, and cooperation among political parties.

From the very beginning, the ODS clearly and unequivocally defined itself as a conservative party attempting to assert the traditional values of a European democratic society. However, in our country that means not only filling an empty place in the political spectrum of the country. It also means that it is precisely that party that represents the decisive counterweight to the past. And it does so with respect to a past which, in our country, continues to live in various guises. In one form, it is, finally, the proper democratic left, in another form it is the defender of Moravian land rights, in another form it is as the radical right which is so far right that it is difficult at first glance to tell the difference between it and the Communists.

The strongest political party in Bohemia and in Moravia is, thus, the rightist-oriented Democratic Conservative Party. That is not the consequence merely of many years of experience on the part of our citizens with dictatorship of the left. That experience represented only the favorable conditions for the beginning of our work. The strength of the ODS is primarily the result of intensive political work at all levels of social life, not only within the highest party groupings, but also, and perhaps primarily, at locations where the work of the party and the everyday life of citizens come into contact. Thanks to

that very political work, which is deeply rooted in Czech political traditions, we were successful, both in our combat with the past and also in our struggle with the irresponsible romantics of "nonpolitical policy" in achieving a decisive turnaround: Now we can claim with full justification that the Czech Republic is a democratic state of law in which all conditions for the development and strengthening of a free market economy are created. By that, I do not wish to say that there are no problems in our country, but merely to state that we have already crossed the Rubicon.

The existence of a strong definitely democratically oriented party is very important, particularly now during the period of difficult tests. We stand before a very difficult fateful task: I would like to perceive that task positively as a Czecho-Slovak settlement. The problems that surfaced between Czechs and Slovaks during the period of their coexistence remained concealed during the period of communist rule. They did not emerge in full force into the light of day until after the November 1989 revolution and soon led to an open crisis. The last elections, both those in the Czech and also the Slovak Republic, merely confirmed the magnitude of the crisis. The ODS found itself in an unenviable situation: It was harvesting the bitter fruits of the communist period and the helplessness of the previous political team.

In its solution to the problem, the ODS is basing itself on democratic and liberal foundations: We are basing ourselves on that which the voters clearly expressed in the recent elections in Slovakia. The current form of coexistence within a common state is a source of dissatisfaction for them. On the other hand, those constructivist projects such as, for example, a confederation, a union state, etc., are unacceptable to the Czechoslovak public. In recent times, we and our Slovak partners from the HZDS [Movement for a Democratic Slovakia] have succeeded in finding a common language: We have agreed that two independent states must come into existence here and a broad network of bilateral agreements will serve to provide the assurance that the currently existing relations between the Czech Republic and the Slovak Republic will remain preserved to the broadest possible extent. In no event am I inclined to describe the difficult process as being somehow idyllic. Dramatic problems have already occurred and will occur in the future; but basically, I remain optimistic: We are prepared to conduct a policy vis a vis the Slovaks that takes into account the state interests of the Czech Republic and which, at the same time, is striving to achieve open, correct, and generous behavior toward a partner and is also responsive to European standards.

We do not regard the Czecho-Slovak problem in isolation, but in broader connections. The demise of the CSFR is a signal that indicates that the security system that came into being in Central and southern Europe immediately following World War I and which survived its own death under the icy breastplate of communism requires modification. It is a joint task for all countries in this region. That cannot involve the renewal of

anything like that which was present before, nor a mutual raising of claims; something like that would at best lead to new heavy conflicts. Rather, it is a matter of newly defining the coexistence among nations in the Central European area through useful and friendly cooperation. That is a difficult task: At virtually every step, we encounter the woeful heritage of the past. I would like to mention only one example that threatens just now to destroy the fragile beginnings of reconciliation in Central Europe. It involves the unhappy water management project at Gabčíkovo. An originally purely technical problem grew strongly in importance, commensurate with the size of the project, and is complicating the relationships of Slovaks, but indirectly also of Czechs, toward their environment. As a conservative party, the ODS is opposed to any kind of ecological fundamentalism that would politicize the problems of environmental protection at any cost. At the same time, we are aware that the conflict, much like all conflicts throughout the world, must be solved by compromise. The brokering initiative exhibited by the EC provides room for that.

In other words, we stand before difficult problems and we know full well that it is primarily up to us as to how they will be solved. At the same time, we are aware of the fact that we have friends who stand by us in Europe as well as in the world. We consider the highly developed European democracies and the parties of the European Democratic Union as our natural allies and friends. The FRG and the CDU play a highly important role in that regard.

Dear friends from the CDU, I know full well that we may rely on you.

Klaus Calls on Czechs To Unite in New State

93CH0077A Paris LE MONDE in French 31 Oct 92 p 4

[Article by Martin Plichta: "The Czechs Reflect on Their Identity"]

[Text] Prague—On Saturday, 24 October, despite wind and rain, nearly 7,000 people came to the Vysehrad Hill in Prague in answer to the Czech prime minister's call. Vaclav Klaus had chosen this symbolic high shrine of Czech history, seat of the first princes and kings of Bohemia in the early Middle Ages, to attempt to reassure his fellow countrymen who are not very enthused by the creation of a Czech state which, as yet, has neither name nor constitution.

Klaus called on the Czechs to unite to build the new state, not so new really, because it has a long history—the first Czech king, Vratislav II, died 900 years ago. He tried to explain to them that the creation of the Czech republic was not, as felt by most Czechs, a "loss" with regard to Czechoslovakia. It is rather the pursued realization of the right to a state, a movement of national emancipation that began in the last century. As for former president Vaclav Havel, he recalled the values that should be those of the new Czech state: tolerance,

humanism, and democracy, values that had been promoted by the first Czech president, Tomas Masaryk.

On the other side of the Vltava, in Prague Castle where the Czech heads of state conducted affairs of state and where the future Czech president will reside, 100 or so historians, philosophers, theologians, jurists, and politicians, almost all of whom had been dissidents, deliberated for two days on the idea of a Czech state. According to Pavel Tigrid, Havel's adviser, the musings on "who are the Czechs, what is the Czech nature?," which has been an endlessly rehashed subject of discussions among Czechs intellectuals for the past two centuries, should "give the bewildered population a positive reason" for the division of Czechoslovakia. Until now presented as the answer to the Slovaks' desire for self-determination, the creation of the Czech republic must be positively justified, and not only from an economic and practical standpoint, in order to hope to win the approval of the citizens and thus to survive.

The government commission on drafting the constitution was also finishing the first comprehensive draft of the basic act of the future Czech republic. The text calls for a two-chamber parliament that would elect a president of the republic with relatively limited powers. However, the constitution only partially solves the question of the country's name which would officially be the Czech Republic. The search for an abbreviated form is on everybody's mind, and each camp is discussing its choice in the Prague press. Some, in Pavel Tigrid's and writer Ludvik Vaculik's circles, would like to keep the name "Czechoslovakia," because it enjoys some reputation throughout the world, and because many Slovaks will continue to live in that country. Others, such as historians, jurists, and linguists at Charles University in Prague, favor adopting the term "Czechy" (cesko), a somewhat disagreeable sound to the ear and, furthermore, a name used by the Nazis. However, like Bohemia, a name submitted by a third group, it has the advantage of being void of territorial connotation, which is why autonomist Moravians, who prefer "Federal Czech Republic" or "Central European Republic," oppose the latter solution.

Whatever the disagreement about the name of the future state, at least a consensus is taking shape around Czech President Vaclav Havel who, however, has not yet announced his candidacy.

Dilemma of Justice for Communists' Crimes Unsolved

93CH0066A Prague LIDOVE NOVINY in Czech 22 Oct 82 p 1

[Commentary by Jiri Hanak: "Nothing Happened"]

[Text] In those damp and cold days of November in 1989, we used to say that "we are not like them." It was a good thing that we were not like them. To be like them would have meant to build gallows, pass draconian laws, and carry revenge to the second and third generation. We

could not be like them for a very good reason: November 1989 would have no meaning.

If it was good that we were not like them, it was not good that we were the way we were. There is, after all, a difference between gallows, draconian laws, and three-generational revenge and a total inability to come to terms with the past in any way whatsoever. All of its crimes, police martinetism, arrogance of the party myrmidons, violation and destruction of lives are as if fading into an uninteresting and boring past. After all, who would be interested in such trifles, when on the day's menu are new and unheard-of delicacies, such as the privileged privatization of the state economy and establishment of new political-property dynasties. Are you saying that at those full, privatization troughs there are again "they"? No matter, there will be something for everyone. If worst comes to worst, we shall join them, after all, "they" know their way around.

In the sonorous shadow of contented lip-smacking, justice marches softly on with the speed of a racing snail. Its three-year account: the punished Stepan, a few overzealous henchmen from Narodni Street, and the ending trial of the communist police elite—Kincl, Vykytel, and Lorenc. That is all? That is all. Obviously, nobody else is guilty of anything.

There were no guards in the camps. There were no bloodthirsty judges and zealous associates. There were no police who were expert in kicks to the groin. Nobody brought anybody to desolate woods, nobody beat up anybody there and left them lying without documents, money, or help. Nobody is living in stolen villas. Nobody ruined anybody's life. Nobody ruined this country economically and spiritually. Nobody chased hundreds of thousands of their fellow citizens into exile. Nothing happened, nobody knows anything, and even if they did know, what can we do, the statute of limitations has run out on everything, or else it is not punishable because it was done according to the then valid laws.

There really is not much that can be done now, although the crimes of the past "smell to high heaven." Nevertheless, there is one thing; and it would be a good cement for the foundations of the emerging Czech state. We could organize a judicial tribunal, which would pass a moral judgment.

Or is even that too much to ask today, barely 1,000 days after November?

Pithart on Criticism of His Views on Slovakia

93CH0064A Prague LITERARNI NOVINY in Czech
21 Oct 92 p 3

[Article by Petr Pithart, former prime minister of the Czech Republic: "Intelligentsia Feels Relief"]

[Text] This beginning of the nineties does not look as if we were facing a fin de siècle of blessed memory. The enervating weariness of that time, resulting in part from

the unbearably long period of peace, a weariness irritating hypersensitive nerves, invited a revolt against the dying civilization of ossified rules, a bohemian attitude rejecting generally accepted values.

The miscarried 20th century also threatens to end in blood, blood of which apparently more was spilled during this century than during the entire course of human history. It would therefore become a politician to weigh his steps, his words, as well as his silences—that which he does not say although political expediency presses it onto his tongue—sub specie of concerns and worries, not beautiful dreams and hopeful prospects. And we would expect that an intellectual, a spiritual man, would, like the Socratic daimonion, convince even such a sober politician that he is succumbing to seductive illusions when he forgets himself from time to time and gives in to the prospects of the day. A day which does not want to know its end.

The Czech intellectuals who signed the manifest "Relief at the Decision," (LITERARNI NOVINY No. 24/92) are saying: Let us then put an end to the tensions and the pressures.... After Slovakia separates from the Czech lands...without nationalist complications...more freely, more flexibly as well as more cheaply...more substantively and quickly.... And I summarize: And most of all, we shall be able to breathe a sigh of relief.

If intellectuals are so busily harmonizing their voices with the banal gravity feed of party politics, what can we expect from individual politicians who as a rule do not see any farther than the next elections? I would have expected from them, all the more since it probably is no longer possible to save the common state, a warning voice, a memento as a sum of views scanning an expanse of time that usually does not fit into a politician's field of vision. I, at least, have lived to experience a sensible admission of a desperate absence of imagination.

Or is it that nothing world-shaking is in fact happening?

In the future, Czechs, Moravians, and Silesians, for the first time in their 1,100-year-old history, will not live in a multinational state unit. That is, in an element which formed them, and precisely thus formed they belonged to Europe. After all, Europe, which we esteem, was created by the very same "complications," national complications, religious complications, complications connected with the coexistence of different cultures and life-styles. The spiritual and material wealth of this continent rests in its determination to not only preserve, but continually exploit, this specifically European diversity.

I shall take our intellectuals at their word: Are they thinking about relief that for at last the first time in our history we shall be able to cry: "Alone at last!"? Then it is, I am afraid, relief at the thought that we have put the complications which made Europe Europe and not, for example, an immobile Middle Kingdom (China), behind us.

I see what is happening actually as steps leading out of Europe. Today's Europe is looking for another form of its unity, but as the controversies around Maastricht confirm, still a unity of the diverse: The European Community will accommodate the Rhineland as well as Greece, Paris as well as Northern Ireland, Southern Italy as well as the Netherlands. All these examples point to differences that are greater than those between our Czech lands and Slovakia. Even within one state, between the Bavarians and the Prussians in the unifying Germany, there is a greater difference, as many Germans will tell you, than between the two republics of the federation, which is already on its deathbed.

To our intelligentsia, the solution leading to only a Czech state seems cheaper. But a German from the Rhineland, a Parisian, or a Dutchman is giving up some of his standard of living for the benefit of a Greek, an Irishman, or a farmer from Southern Italy, because he knows that the idea and the practice of Europe is not just a matter of economic calculation. He gives it up, to be sure, after endless negotiations many times threatened with crises and collapse, but crises that in the end are always overcome. The Czech intellectual is tired and impatient already after less than three years of unsuccessful (in part because it was unenlightened and clumsy) search for a satisfactory form of coexistence. To put it briefly, a Czech intellectual, because it was not possible to preserve the common state, is trying to make virtue out of necessity. Cheaper! What a pitiful, petty Czech ploy to keep the money at home.

The manifest confirms our conviction that the civic principle is for us, that it is more mature, self-evident. We intend, in contrast to the befuddled Slovaks, to build our state on it and only on it. But how in the world do we know that this principle is really our very own? Did we work our way to it? In today's nationally homogeneous Czech lands it is not a value for which we can take any kind of credit. It is not the result of having overcome Czech nationalism, Czech national principle. The Germans and the Jews, without whom we would not be what we are, are no longer with us. The war and the holocaust, and the authority of the great powers "solved" the national question—complication—in the Czech lands for us. Does anyone have the gall to insist that we resolved it, that we came to terms with it at least *ex post*, in our heads? Have we managed to agree, almost a half-century later, at least on the fact that we chased the Germans out of here? I do not know what else to call this godlike feeling of superiority over the Slovak "national principle" other than blasphemy.

The truth of the matter is that Czech nationalism has not been overcome. After the unexpected gift of maximal borders from the hands of the easygoing, generous Allies following World War I, and after the genocide of the Jews and the expulsion of the Germans following World War II, it only fell asleep, satiated and appeased. But the unpleasant dreams about our contentious coexistence with the Vietnamese and the Gypsies are not in fact

dreams: Czech nationalism is waking up. The paternalistic attitude toward the Slovaks shows that it is already fully awake, with all that it implies; but we also refuse to admit it to ourselves.

The *id fixe* with an affected noble face—the obsession, not just Ludvík Vaculík's, that we Czechs, Moravians and Silesians, have the right to call the Czech state Czechoslovakia—is at best a spiteful, malicious attitude of the one who is better, richer, and more mature, who thus apparently confirms his successor rights, as if successor rights were not decided by the international community! At worst, it is a punishment of the benighted Slovaks for the way they act. Yes, precisely the way we at one time acted toward the supranational Austro-Hungarian Empire. Toward an empire that, true, did not manage during the final decades of its existence to maintain its supranational character in face of German pressure. Yes, a punishment: All your efforts are in vain, half of your Slovakism so precious to you we, the Czech wise guys will put on our flag for all the world to see. If I were a Slovak, I might take these as fighting words, which would certainly be further proof that they started something again.

Czech nationalism? Are we like them? Be wary of misleading comparisons: The nationalism of the one who is stronger and does not feel threatened as a rule does not resemble in any way the nationalism of the one who is weaker, more threatened, no matter whether the threat is a matter of perception or reality. I would say that nationalism of the stronger could be downright complementary in relation to the nationalism of the weaker: Where the latter is embarrassingly making a spectacle of himself, the former looks on condescendingly and lectures (after all, we do not throw eggs at the president). But in another situation, the stronger partner with veritable sanctimoniousness "votes" in public opinion polls in favor of a unitary state, or stubbornly refuses to give up the failed idea of Czechoslovakism, out of pure idealism, of course. And in yet another situation, the Czechs cannot hide their irritation at the insufficient gratitude shown by Slovaks for what they did for them. As if it were realistic, and above all befitting, to require, even in personal relations, expressions of gratitude. And in another situation still, Czechs insist that "Czech money will stay in the Czech lands"—as if the European, Christian civilization were not based on the solidarity of the healthy with the sick, wage earners with children and the elderly, affluent regions with poorer regions (the dummies in Slovakia seemingly agree with them, insisting that Slovak money is pouring into the Czech lands). I would therefore advise to be careful and verify the existence or nonexistence of Czech nationalism by an entirely different gauge than the one which we apply to Slovak nationalism.

To be fair, I shall cite two specifically Czech traits, which in themselves have nothing to do with nationalism, but which today somehow give extra weight to Czech nationalism.

The Czechs feel centralistically, and do not even know it. It is their second nature. The borders of the Kingdom of Bohemia have always been more stable than the borders of any other European state. Within these borders, formed mostly by a range of mountains and considered incontestable even when the country was not independent, lies, as it has for more than a thousand years, Prague as the never-challenged capital of power both temporal and spiritual, as the sole center without competition. Again, a totally unique situation in Europe. Even in the Margraviate of Moravia it was not like that. Bohemia therefore was never inclined to integrate itself into regions with their own centers, able to stand up to Prague. The natural thing here is one country with one center. It is not good, it is not bad, it is just the specific Czech-Prague optics. But if we apply it to the world around us (German, Austrian, Moravian, Slovak), it is, of course, blindness. And that is exactly how I explain to myself the spontaneous Czech inclination to prefer a unitary arrangement of the only recently still thinkable Czechoslovakia.

Let's not be mistaken, this inclination is and will be also at the source of the thus far "insoluble" Moravian question. Yes, neither a land setup nor a union setup will contribute anything to Bohemia, which naturally belongs to Prague as its natural center. But is that a reason to be deaf and blind to different natural needs of others?

The second trait, more serious in its blindness, also gives more strength to Czech nationalism: On a question whether to have one government, one parliament, or two (three...) governments, two (three...) parliaments, the Czech majority always, and again spontaneously, votes in favor of one government, one parliament. That is another reason for the very stable Czech vote in favor of a unitary state, which, of course, was and is a vote that in reality banishes the Slovaks from the common state. It is cheaper, suggests the manifest. But who says that a functional democracy is cheap? Czech distrust of the state, the government, government officials, goes back to the days of the Austrian empire, it is, simply, ingrained: The power was foreign, resided in Vienna, spoke in German. The government was foreign, if not an enemy, and the thing to do was to cheat it, steal from it. The communist state validated our view that it does not deserve anything else. Therefore, the simple Czech motto today is—the less government, understand: The less expenditure for the government, the better. The underlying idea simply is that the state is not worth anything, that officials are here just to aggravate the citizens, that government cannot function other than badly. If it were not for this a priori distrust, people with common sense would probably judge expenses for the government according to what it provides for them, how well or how badly it serves people. Nowhere in the world which we want to approach is government cheap, because otherwise only incompetents and crooks would work in it. To be sure, it must not be even one koruna more expensive than necessary, but that is already a matter of specific judgment, of degree. It definitely does

not hold true that the less we spend on it the better, because we do not expect anything from it anyway. Democracy simply is not cheap, same as quality health care is not cheap, or as a quality justice system is not cheap. That system is in fact collapsing before our eyes, so that we shall soon have the opportunity to experience the consequences of a "cheaper government."

I would say that the bias which says government is good by the fact that it is cheap, is the product of Czech plebeianism, that dispersed Czech anarchism, so opposed by Masaryk. When after the war he urged us to "de-Austrianize" ourselves, he also had this in mind: Let us at last behave toward the state as toward our state, not as toward a vermin that must be eliminated, perhaps precisely by paying government officials poorly. Not even a "minimal government," the ideal of liberalism, is cheap, because in its services cannot be minimally qualified people, nor is the road to such a minimal government by any means cheap.

If the signators considered it necessary to stress in the manifest only and only the word "three" (three parliaments, three governments) as an obvious rank absurdity, I would call it a failed populism that I would expect from Sladek. What would they do with the 18 plus one governments (and 18 land parliaments plus one bicameral Bundestag) in the union setup in Germany? In Austria? A simplification of the state structure must be first of all acceptable to those whom it concerns, not just cheap.

Of course, I owe an answer to the question: What about the politicians? What about them?

A direct question deserves a direct answer: Czech-Slovak relations could have been resolved within the framework of a common state. Therefore, no unavoidable disaster. In spring this year we were within reach of an agreement. For my part, I will say that I should have (together with other like-minded people, but there was just a handful of us) stood my ground and should not have allowed myself to be shouted down. A politician cannot be excused because people direct catcalls at him and newspapermen fire at him from all sides. The federation needed to be reformed thoroughly from the bottom, that is, by a treaty between the republics (or, nations' councils), even at the cost of the federal agencies being on the sidelines during that time, only looking on. That would have been the only possible way not only to somehow save the federation, but to build it at last on healthy, democratic foundations. To put it briefly: the negotiations should have been carried on by the republics, that is, their officials, and for a time the federation, for Slovakia untrustworthy and most of all unacceptable, its agencies and representatives, should have been put in parentheses. It is not true that the world would have considered such a step a de facto creation of two subjects of international law and would have treated them accordingly. The opposite is true, and today's reaction to the breakup of the state confirms it: The world would have been glad to overlook such an unconventional solution, if it would stop the

progress of the line of seismic instability to the very center of Europe. And in that case the elections in Slovakia would have turned out differently. Entirely differently. When we did not accept such a thorough renovation of the federation, we abandoned the Slovak democrats.

I allowed myself, we allowed ourselves, to be shouted down. The truth is, we even did not understand ourselves here in the Czech lands. Some Czech intellectuals, with the best of intentions, contributed to this lack of understanding. I do not say this to excuse myself. I should have, we should have, stood our ground in this matter, and lose spectacularly when we were unable to push through the solution systematically "from below." That is when we should have lost and risked in the parliament loss of confidence, and not lose later in the elections—in order at least to put things into clear and sharp focus. That way there would still be some hope for the future.

In this year's elections the victors in the Czech lands were engineers with a one-dimensional and impatient view of the world. Technocrats, whose view will obviously not encompass many of the not unimportant things, such that do not fit into the profit-loss calculation. And those which influence the gravitation of power. Today, they are already dropping from the agenda concern for the environment, and from their field of vision scruples that prevent interpreting victory as an opportunity to take the spoils. They won, and they greeted the radical rhetoric (what else was it?) of their partners in Slovakia with the expressionless face of a poker player. That is my deep conviction. After all, after only 40 minutes of negotiations at the first meeting in Brno they agreed to drop that complication, that so difficult to harmonize federation, from consideration.

And our intellectuals endorse it with Vaculik's charming manuscript: It is behind us, ahhh, what a relief....

Not so much what is happening, as the ease with which it is happening and the heedlessness with which it is being accepted, raise concern.

I hope that not just on my part.

Constitutional Status of Moravia Reviewed

93CH0021B Prague LIDOVE NOVINY in Czech
25 Sep 92 p 8

[Article by Stanislav Kalisz: "Do Not Drive Minorities Into a Corner"]

[Text] The dispute over Moravia's status is often viewed as one of fundamental principle in the question of how to organize our state. That is also claimed by Mr. J. Zegklitz in his article "The Constitution's Dragon Seed" (LIDOVE NOVINY, 25 August 1992). Yet he himself resorts to arguments lacking in merit.

Let us start out from the triad of basic requirements for a state power arrangement: that it be functional, rational, and entail the smallest economic cost.

In countering the opposition's objection that the kraj arrangement, which the currently offered regional model resembles to a striking degree, has never shown a high level of functional success, the only thing Mr. Zegklitz has to say is that under the CPCZ rule a provincial [zemske] arrangement would have been equally nonfunctional. But that unfortunately cannot persuade any citizen who had had the bad luck of living for 40 years in a system of some small and some large kraj of the advantages of a regional arrangement over competitive [konkurencni] systems of administration. I personally see it as an attempt to heal old wounds by applying the same old bandage, only just washed a bit cleaner.

Yet we have available a cure tried and tested by our neighbors with whom we have been living for nearly a thousand years in comparable circumstances and which therefore does not arouse the danger that it could provoke undesirable reaction. That is the union [spolkovy] model. To cast away this sole potentially reliable cure for the ills plaguing the organism of our state because of easily refutable objections isn't exactly a responsible thing to do. It can only lead to protracted difficulties when the poorly healed wounds will repeatedly fester under the old-new bandage. It is my opinion that fears of a new dualism emerging in the CR [Czech Republic] if the union arrangement were to be applied are somewhat overwrought. That much can be ultimately inferred directly from the assertion of not just Mr. Zegklitz when he says that the majority of Moravia's citizens are not interested in restoring the provincial arrangement. For my person, as a Czech of Moravian birth (as we were defined by Frantisek Palacky), I can confirm that the historical as well as spiritual links between Moravia and Bohemia are substantially stronger than the links between Czechs and Slovaks.

This is one side of the problem involved in the functioning of our future Czech state. Another, more important, is that only a thorough application of a tried-and-tested model will obviate all disputes not only over institutions and their powers, but also over responsibility, because dividing them and staffing them with the requisite personnel is something for which our neighbors in 40 years' time have found optimum solutions—thus, it is known and virtually beyond dispute. No other system offers comparable conditions for functional effectiveness.

To be sure, there may be reason to fear that a union of only three provinces—Bohemia, Moravia, and Prague City—could lead to unanticipated disharmonies even though it was the rule in ancient Rome that three make a union. But it is no problem. It would even be desirable to create a province of Silesia also, including the Ostrava

region and on the model of Germany's Bremen constitute the trade-fair city of Brno as a fifth province (because in the Moravian countryside Brno is indeed not overly popular).

It may seem that this proposal is at odds with the requirement of rationality. But that is brushed off by Mr. Zegklitz when he claims that the CR is essentially a homogeneous unit, without significant regional features. But a glance at the map speaks for itself. Bohemia, Moravia and Silesia with the Ostrava region are markedly different units in terms of orography and hydrology, also in communications, with different cross-border links and the resulting differences in historical development. To assert otherwise is possible only when one is determined not to see reality as it is. Of course it can be further objected that they are units differing in size, population, and so on. But the structure of union provinces in Austria, roughly equal in size to the CR, is even more diverse and it does not have any effect on the functioning of the state. Of decisive importance is that within the union state the relationships and feedbacks between the center and the provinces are resolved in favor of a balance between powers and responsibilities. Therein lies its rationality. The effort to restore a kraj arrangement smacks too much of a craving for a strong central government and numbers of more or less toothless subordinates in no position to challenge the center. Such "rationality" is neither promising nor attractive.

There remains the requirement of the lowest possible financial impact. One can only say that each side to this dispute is operating with its own numbers proving the advantage of its model. State administration cannot be minimized; no one in history has really succeeded in that. It can only be optimized, and that again is possible only if we use a well-trying model in which the avoidable faults have already been eliminated. Which again is precisely what the union model guarantees and what our country needs more than it does salt.

Mr. Zegklitz regards any attempt to constitute a province of Moravia as a dragon seed of the CR's future problems. I hope the kind reader has noticed that I am not out for a special status for Moravia, which I agree with Mr. Zegklitz would be undesirable. But closing our eyes to the fact that in the CR over 1.3 million citizens officially

declared themselves as being of Moravian nationality may in the new constitution become a worse dragon seed than the bugbear of a self-governing Moravia. That minority exists so to speak black on white and next to it are additional hundreds of thousands of those Palacky's Czechs of Moravian birth.

Mr. Zegklitz's views are another expression of the dysfunctional Prague view of what goes on east of the Czech-Moravian highlands, which had first construed the vision of a profederal silent majority in Slovakia and now for a change overlooks the quite real feelings of possibly one-half of the population of Moravia. But any pious wishes based on faulty optics are the worst possible starting points for drafting the basic law of a Czech state being newly reconstituted. Driving any minority into a corner is undignified for the creators of the constitution, is not on the level of modern Europe. This is the level of the Balkans or the Caucasus.

The only reasonable course is to integrate those who feel they are Moravians into the framework of the Czech state in the same way as Bavarians, Swabians or Saxons are integrated into the German nation. For it is a grievous error to believe that expressions of a radical Moravian sentiment are the work of a few leftists. Those would have remained on the outer margin of developments had there not been on the part of many Civic Forum leaders in 1990 an unreasonable tendency to deny Moravia's self-identity. It was above all those attitudes that led so many of our fellow citizens to affirm their Moravian nationality, exactly according to the action-reaction law of physics.

The creators of the constitution ought to realize that and draw the appropriate conclusion. Otherwise they will create only a fertile soil for the growth of nationalist extremism. And that would be the more dangerous the more successful are efforts today to drive the Moravian minority into a corner. Not only leftist, but also rightist (not pragmatically rightist) views may cause great harm. Reason commands us to honestly and carefully weigh all pros and cons, without a monochromatic vision. The danger that a bad constitution may emerge that not all citizens would honor is far too great.

(The author, born in 1928, is a member of the Civic Democratic Party and lives in Zlin)

Democratic Left Alliance Leader Interviewed

PM0911200592 Bialystok GAZETA WSPOLCZESNA
in Polish 27 Oct 92 pp 1, 6-7

[Interview with Sejm Deputy Jozef Oleksy, Democratic Left Alliance (SLD) leader, by correspondent Artur Smolko; place and date not given]

[Text] [Smolko] The democratic left has been in opposition for three years now. From today's perspective, would you take the risk of claiming that, if we were to draw up a balance sheet now, the result of the past three years would be shown as negative for Polish reforms?

[Oleksy] I would not claim that in any case, because it would be unfair. A really serious balance sheet of gains and losses can be drawn up only after a much longer time. I believe that today's "balance sheets" are drafted in the interests of the political game, and that every participant in that game will inevitably select those elements of the assessments that he needs at a given moment.

History will, after many years, draw up the ultimate balance sheet with an assessment of the gains and losses we experienced during the period. From the historical perspective, the gains are quite evident: They include the state's new independence and the fact that we have brought in a new model of democracy, which must not be put in question, regardless of how many laments and complaints are raised about it, and also because we have launched a rule-of-law state, regardless of how much we might criticize the imperfection of the current legislation. An additional gain here is the introduction of unquestionable political pluralism.

However, it is much easier to see the positive side of such a balance sheet when considering the aforementioned values; on the other hand, it is much harder to perceive any good results in the social and economic sphere. Comparisons with the state of affairs that obtained under real socialism are invalid because that system was run according to a completely different set of logical premises. The market economy has its own, totally different set of logical premises, and politicians who make very simple comparisons between the two systems are guilty of making a serious mistake and distorting the real picture. I believe that while we remember the negative legacy of the past, we should nevertheless gradually turn our attention to assessing those stages of our development which already belong to the logic of the new system.

[Smolko] You point to a number of mistakes in our economic policy. Let me remind you that in 1990 the Democratic Left Alliance's [SLD] parliamentary floor group supported the so-called Balcerowicz program.

[Oleksy] Of course. It must be stressed that they were rather glad of the opportunity to support him. The left simply could not stress the errors of the past and at the same time fail to give support to Balcerowicz's proposal,

to which there was no viable alternative at the time. The concept of introducing transformation through a series of rapid, shock changes was the only one then approved by the government team. It must be said that it did not work. However, at that time the Sejm ceremoniously passed the whole package of eleven acts drafted by Balcerowicz. It must also be said that too many promises were made to our public and too little attention was given to spelling out clearly the scale of the inevitable sacrifices that would have to be made. The authorities failed to weave a thread of understanding between themselves and society, a thread that must be carefully strengthened today if the next stages of the transformation are to succeed.

[Smolko] So you could be described as a moderate critic of the ruling camp?

[Oleksy] Yes.

[Smolko] All the same, let me cite back to you the opinions of your sympathizers who took part in the meeting at Bialystok's "Salon." They can be summarized as follows: "It is all the fault of our new democracy, all the fault of our new independence." To put it mildly, do you not perceive a certain problem with your electorate here? We will probably be in agreement if I say that its members are far, far more radical and that they are more determined and far-reaching in formulating their demands. Does this situation not contain the potential danger that the SLD opposition will be far too damaging and counterconstructive?

[Oleksy] The terms "damaging" and "counterconstructive" are too strong, but it is true that the nature of our opposition must be more radical and that it must strongly suggest the solutions that our electorate is awaiting. Today, in the democratic system, no one can confront a political group with the accusation that it is led by its electorate's wishes. You are right in saying that our voters, and not only the most left-oriented ones, are becoming impatient. We could even generalize the claim and say that Polish citizens are getting bored with what Poland's political life has on offer for them, and that is why their views are becoming more radical. That, of course, poses a challenge for all left-wing parties.

The challenge is in the need to avoid a certain trap that opens up between our attempts to claim credibility in supporting the desired models of a market economy and a democratic system, and the obviously far more imperfect reality confronting us at every step, which we must also attempt to handle honestly for the sake of our voters. I do not believe that the two can be balanced out in any satisfactory and fair way. Especially if the witch-hunt against the SLD (based on its past and pedigree) continues unabated. This type of witch-hunt, often rooted in primitive reasons, will only serve to push the SLD into the arms of the views espoused by the disappointed electorate. However, if left-wing parties are to be

prepared to correct the slant of electorate's radical leanings, they must know whether there is an actual demand for such a role in the country's political life. That is not the situation today.

[Smolko] During the meeting at the "Salon" you said that you had been prepared to apologize for the past, but there were limits to how long it could go on and to what there was to apologize for. Are you really so certain that none of your colleagues have anything to apologize for?

[Oleksy] There is a general problem with the current demand for apologies. The more time has passed since the "historic breakthrough" the more difficult it is to respond to this kind of expectation and demand. I am convinced that it will not settle any difficulties. Credibility is not acquired by reciting such an easy formula.

I do understand that there is a certain proportion of people who still remember very vividly that they had been wronged and who are unable to put their negative emotions to rest, but it is not true that the whole of society demands this kind of apology. The public are tremendously divided in their reactions to such questions. Our own voters say to us at our meetings: "God forbid that you should apologize! If you do, we will withdraw our support for you."

[Smolko] I am not talking about the general rhetoric of retaliation or wholesale rituals of humiliating former Polish United Workers Party [PZPR] members. However, the question of specific past actions committed by specific people remains still unresolved whether we want it or not.

[Oleksy] Well, tell me precisely what they are supposed to apologize for, then: Are they to apologize for socialism?

[Smolko] No. We are talking about real, tangible, substantiated actions—for example, known violations of citizens' rights and freedoms.

[Oleksy] If we are to talk about actual, substantiated cases, then we must name names and invoke the question of personal responsibility.

[Smolko] But do you not believe that, once publicized, even the personal responsibility of several public figures may tarnish your image and enable people to attach labels to your party?

[Oleksy] As it happens, those public figures who I believe should apologize, figures from the PZPR's top echelons, who certainly behaved stupidly and arrogantly, who abused their power and their positions, are not especially visible in the present leadership teams of either the SLD or the Social Democracy of the Polish Republic [SdRP].

[Smolko] Not especially?

[Oleksy] That is right, not especially. Even so, I would still say that, rather than apologizing for their past deeds, those people should perhaps refrain from assuming

prominent leading roles and positions and claiming new credibility today. In politics, discreet withdrawal from prominence and further nonparticipation in public affairs is a far better solution than noisy public apologies.

[Smolko] You recently said in an interview that Polish politics and Polish reforms are strongly hindered by our stubborn inclination to contemplate the past and claim credit for it. You stressed that you were thinking of the demands for top public posts made by a certain category of activists on the strength of their past membership of the "ethos" elites rather than based on their actual qualifications for the positions they requested. You criticized their accustomed argument: "I was imprisoned, so I am now entitled to make demands." But would you not agree that there is also another side to your "contemplation of the past" argument? That could be summarized into a thesis claiming that the best evidence of our political life's harkening back to the past is the fact that such political formations as the SLD can still exist, formations where people are united not so much by their program as by their shared lineage.

[Oleksy] I would not agree with you, although it could be partly conceded that the evidence of our obstinate drawing on the past is visible not so much in the SLD's existence as such, which is not altogether correctly claimed to be a simple continuation of the PZPR, as in the fact that our party's existence may perhaps remind people of what was wrong in the past. However, I believe that our concentration on the past is caused by our general national trait of fascination with our past history and a taste for making judgments and assessment of the past, apportioning blame, pronouncing verdicts, and measuring responsibility. All this is quite simple to do. It is a bit like taking the easy way out of real political involvement.

[Smolko] Let me refer once again to the statement you made during the meeting at Bialystok's "Salon of the Independents." You said that the left in Poland is represented by more than just the two political groups, the SLD and the Union of Labor.

[Oleksy] That is because left-wing orientation can be regarded as something more than a number of political groups. There are certain trends and ways of thinking apparent within society and concerning the past and the future of our state and system, and the past and the future of our people. From that viewpoint it is natural to identify a whole left-wing orientation within society. It presents a very large field to be organized and taken in hand. I am saying this because neither the SLD nor the currently emerging Union of Labor are likely to organize all those groups of citizens inclined to view the world and its history in the light of left-wing criteria.

[Smolko] Public opinion perceives you as one of the first "PZPR guys" to have won the trust and sympathy of a large number of Solidarity milieus. I have come across the view that you are liked by an enormous range of very different people, from Urban to Primate Glemp.

[Oleksy] I would not be so sure of that regarding Urban.

[Smolko] Why not?

[Oleksy] Because it is Urban who claims that he is helping me. I prefer to say, "Thanks, but no thanks" to such support. I must admit that the manner of his support is inimitable. However, I am not particularly bothered by it, and I will not object unless he actually chooses to insult me directly. Although I must admit that even then I could not do much about it. He is not the type whom you can silence easily. On the other hand I believe that I have remained the same person that I have always been. In the past, I was really irritated by a great many things in the way the PZPR worked. Today, I am irritated by exactly the same symptoms within, say, the functioning of the SdRP. And because I have an analytical mind and a rather good memory when it comes to past history, I am particularly annoyed to see certain echoes of the PZPR's faults, or the faults of its leaders, in the behavior and actions of the SdRP and some of its leaders.

[Smolko] At one time there was talk of your alleged family connections with the Catholic Church hierarchy.

[Oleksy] Well, what will they say next?! It was certain Sejm reporters who had spread the rumor—for a reason I would prefer not to go into here.

[Smolko] Thank you for talking to us.

Reasons for, Description of Skinhead Violence

93EP0042A Poznan WPROST in Polish No 42,
18 Oct 92 pp 18-20

[Article by Bartłomiej Lesniewski: "The Skinhead War"]

[Text] Commenting on the murder of a German driver by a group of Polish skinheads in Nowa Huta, Ludria Hoehner, German consul in Krakow, expressed the hope that it was a random event that would have no effect on Polish-German relations. The consulate's press spokesman earnestly requested that everything possible be done to make sure that the tragedy not repeat itself either in Poland or in Germany.

The latter will be difficult. The murder of the German driver was not entirely a random event. It appears that Polish and German nationalists have opened a Pandora's box. Regardless of what the people in both countries think, they will continue to beat, and maybe even murder, justifying their conduct as revenge for the wrongs suffered by their countrymen on the other side of the border. The assailants, both in Poland and in Germany, are groups of young and self-assured bullies; the victims are normal citizens and tourists. Most often those who maintain economic, political, and cultural ties between the two nations.

Wolfgang Benz, director of the German Center for Anti-Semitic Studies, has determined that the reasons for the incidents provoked by the skinheads in the

former GDR lie in the postunification frustration of young Germans, for whom the fall of communism meant not only a collapse of their value system, but also a loss of job and prospects for the future.

Professor Benz's observation may apply also to Polish conditions. The skinheads in Poland appeared, as in all of Europe, in the 70's, but until recently there were not many of them and few people heard about them. But as a result of unemployment and the frustration that accompanied the transformation of the political system, after 1989 the movement began to gather strength and importance, and the "ideology" proposed by the skinheads appealed to much larger groups of young people. It indicated to them the "causes of the evils" and "how to get out of the difficulties."

As a matter of fact, the attitude of the skinheads represents the "cult of the brawny", on the one hand, and nationalism, on the other hand. The skinheads are exactly the opposite of hippies, and the appearance of the movement in the West was caused by the bankruptcy of the radically idealistic notion of building a new world of "flower children."

Skinheads are "tank children." In their opinion, the instigating force in today's world is not love, but a strong fist based on the cult of a "command" organization.

The strong are always right; so is a stronger, better organized nation.

Skinheads should not drink, and if they do, it should be only beer, in small amounts. Drugs are absolutely forbidden. A skinhead should be athletic and trained in hand-to-hand sports. In English, "skinhead" means "bald head"; the hair is shaved off to prevent the opponent from grabbing it in a fight. Love of one's neighbor is also interpreted in a very peculiar way: If I punch someone in the mouth, says Czacha, a skinhead from Poznan, I am really doing him a favor. If he gets it three times he will think about a course in judo, sign up for it, and become a better man.

According to Jerzy Wojcik, longtime police "observer" of youth subcultures, author of several treatises on Polish skinheads, the "baldies" profess national ideas. In the West, in addition to the "nationalist skinheads", which are similar, there are also the "red skinheads", who support communist views. In Poland the "red skinheads" did not appear until several months ago and make up a very small group. The "nationalist skinheads" ally themselves with the radical right-wing organizations. They served as guards for the Congress of the Polish Right, held here two years ago, and disrupted the anti-Walesa demonstration by the Interurban Anarchistic movement in Krakow.

The anarchists were getting ready to disrupt the campaign rally for Lech Walesa in Krakow, recalls Stanislaw Golonka, commander of the Krakow Police crime prevention units, a participant at the event. While we were

considered the possibility of counteracting, the skinheads, supporters of Walesa at the time, "relieved" us of the task.

The skinheads' sentiment for Walesa quickly passed. Today the president is for them—as is the pope, the prime minister, and everyone who thinks differently from them—a "Jewish agent." Their idol is Boleslaw Tejkowski, leader of the extremely nationalistic Polish National Commonwealth (PWN). Many of the "baldies" also support the competitive Polish National Front and the National Party.

All of this is true, says Zofia Pawlowska-Nowak, a specialist for juvenile affairs in the Krakow Police voivodship command, but all of these "ideological declarations" should be taken with a grain of salt. We deal with skinheads every day: many of them drink, and many of them are glue-sniffers.

As a matter of fact, they are ordinary hooligans, often known to the police, who shaved their heads a few months ago, put on high boots and proclaimed that they were skinheads.

To put it crudely, if one wants to beat up or kick people, accost passersby, and fight on the streets with "smogheads" like himself, he can always adapt or find a pseudoideology.

According to specialists in the Krakow police, the views of the skinheads in Nowa Huta struck particularly fertile soil. Over the years a kind of "smoghead tradition" arose. The residents of Nowa Huta are an "explosive mixture" of settlers from all of Poland, mainly coming from the countryside. The rural tradition of fights with "outsiders" was also brought here. In Nowa Huta gangs of boys from one settlement almost every night either defend "their territory" against invaders from another settlement, or arrange a foray "to their neighbors". But the settlement gangs reconcile when it is necessary to "beat back the danger of threat of outsiders from old Krakow" for make "guests appearances."

Bronislaw Gawlik, voivodship committee spokesman in Krakow, says that fights and disturbances in Nowa Huta are often a "family tradition." In such a state of affairs, the hooligans from Nowa Huta are a dangerous adversary even for trained police patrols.

Krakow, and especially Nowa Huta, aside from Warsaw's Prague district, is one of the most dangerous places in Poland. Three German drivers were beaten in a particularly brutal way. Ten skinheads first made sure that the drivers they saw were really Germans. They attacked them with metal bars, wooden clubs, and a board pulled out of a fence. Despite the fact that the fight, or rather the execution, did not last longer than two minutes, the police found the drivers lying unconscious in large pools of blood. The perpetrators of the death of Wilfried Frontzek were two juvenile skinheads armed with knives.

The wound in the thigh proved fatal. It was 16 cm long and 3 cm wide.

The perpetrators of the homicide now explain that they wanted to "beat, not kill," but professional criminologists unofficially admit that a person inflicting such a deep wound had to know that the victim might die. Even if during the 16 years of his life he was able only to achieve a sixth grade education.

Next to the scene of the crime is a taxi stand. None of the drivers was brave enough to intervene on behalf of his German colleagues. They were afraid. The police learned about the incident from a passing driver. The pursuit, which was begun immediately, brought no results. But the campaign of stopping, interrogating, and checking the alibis of the 137 most active skinheads listed in the police records, ended with success. The police found nine of the participants in the occurrence in their own homes, and the tenth was brought to the police station by his father. The mother of another skinhead collapsed when he was arrested. She was one step away from death when her life was saved by a doctor called by the police. Most of the perpetrators have not yet been punished, but almost all of the parents of the arrested skinheads admit that their children gave them trouble as they were growing up.

Associating the "feats" of Polish skinheads with the behavior of the Germans, as some of the press does, is detrimental and dangerous, adds Zofia Pawlowska-Nowak. In our country, just as in Germany, there are plenty of "possessed lunatics," ready to explain common robberies and murders as the law of retaliation for a cut-off tongue, for observance of the anniversary of firing the V-2, or laying siege to Glogow during the Middle Ages. After such explanations, common criminals play the role of national heroes before us. They themselves begin to believe that rubbish.

The residents of Nowa Huta honored the memory of the German driver with candles and flowers laid at the place of the killing. A few days later, skinheads—specifically, a female skinhead assisted by four other skinheads—trampled on the flowers and candles and scattered them. A 41-year-old man, passing by, protested. He was beaten and called "spineless." Thus everything points to the fact, unfortunately, that the "corresponding" duel waged between the Polish and German skinheads "for victims, beatings, and cut-off tongues" goes on.

Significant Skinhead Appearances in 1992 (According to Police Headquarters)

15 February—Anti-German demonstration of skinheads and Polish National Commonwealth (PWN) in Zgorzelec.

15 March—Anti-German and anti-Jewish demonstration of skinheads and PWN in Katowice.

2 and 3 April—Demonstrations with banners "Poland for the Poles," "Away with Jews and Germans," in front of the German and Israeli consular offices in Warsaw and Wrocław.

4 April—Rally of skinheads and PWN in Legnica. After the rally ended, an attempt was made to demonstrate in the center of the town. The attempt was thwarted by the police and representatives of other youth subcultures.

In April—Destruction of gravestones in Jewish cemetery in Wrocław.

24 April—Demonstration in front of consulate in Opole.

9 May—Anti-German demonstration in Słubice.

9 July—Black paint splashed on German Consulate in Opole.

9 September—Street fights of skinheads with police at Krowodrza-Gorka streetcar loop.

15 September—Disturbances provoked by fans of "Cracovi" and "Wisła" Krakow fans on the border of Krakow settlements Wola Duchacka and Kurdwanow Nowy. On both sides, the skinheads were the most active. The disturbance turned into street fights with the police.

16 September—Skinhead rally in Białystok. Ended with an anti-Jewish and anti-German demonstration in which several hundred people participated.

16 September—Disturbances and street fights between skinheads and police in Wrocław. An innocent passerby was stabbed (he fought for his life for several hours in a hospital), a 13-year-old girl walking past the demonstrators was severely beaten.

18 September—March of skinheads in Poznań. It began at the Old Market Square and ended at the temporary Romanian encampment on the shore of the Warta. The Romanians were beaten, several of the wooden and cardboard huts put up by them were burned. A large number of the surprised Romanians were drunk, which made police intervention and defense difficult.

20 September—Disruption by skinheads of harvest festival ceremonies at St. Anna's Mount. Banners reading "Away with the Jews and Germans" and "Bolesław Tejkowski for president of Poland" were raised.

22 September—Fights and street disturbances and skirmishes with police in Wrocław.

1 October—Ten skinheads attacked three German drivers at the Szklane Domy [Glass Houses] settlement in Nowa Huta. One of the beaten drivers died.

2 October—Street battles between groups of skinheads and "Cracovi" fans with police in the neighborhood of the railroad station in Krakow. One of the policemen was stabbed and beaten. He had to be hospitalized.

5 October—A group of skinheads and their friends trampled and scattered the candles placed by the residents of Nowa Huta at the spot where the German driver was killed at the Szklane Domy settlement. A man protesting their action was severely beaten.

Report on Unemployment Figures, Solutions Presented

93EP0029B Warsaw TYGODNIK SOLIDARNOSC in Polish No 40, 2 Oct 92 p 18

[Article by Katarzyna Kwiatkowska-Pinkosz: "Will There Be Jobs?"]

[Text] The unemployment rate in Poland continues to rise. At the end of 1991 the national average was 11.4 percent; after the first quarter of 1992, 12.4 percent; and the end of August, 13.4 percent. There are now over 2.4 million jobless and the Central Planning Office predicts that by the end of the year there will be 2.7 million. The highest unemployment is in the Koszalin and Suwałki voivodships—over 23 percent. Naturally, that is only an average. In many places every second person able to work does not have a job.

In March 1992 at the initiative of the Solidarity National Committee, a union-government committee was formed which was to compile a list of the gminas that were most threatened by structural unemployment and develop the economic instruments to be applied in those areas.

Structural unemployment is a situation in the labor market, says Anna Truszkowska, adviser to the minister of labor and social policy, in which there are fewer and fewer jobs and the number of jobless steadily rises. It is caused by changes in economy and transformation of its structure. For example, a factory employing 40 percent of all the inhabitants of a given place, "collapses." The labor market is not absorptive and these people are not able to find any kind of work in their own area.

In compiling the list of gminas, the committee considered several indicators:

- Unemployment rate—at least 150 percent higher than the national average.
- Number of unemployed after group dismissals.
- Number of unemployed school graduates.
- Degree of enterprise indebtedness.
- Monocultural character of the local labor market (in towns of over 25,000 over 35 percent of the population is employed in one plant).

The two last criteria predicted the rate of unemployment growth in the immediate future. The list of gminas, examined by the Economic Committee in the Council of Ministers, was submitted to the government for deliberation.

Threatened Gminas

The union-government committee prepared two variants of a list. In the end the government decided to

accept the narrow variant, expanded only by the Mielec region. The reason: lack of money and the need to concentrate on the regions with the most difficult situations.

The lists contained gminas from 18 voivodships: Bydgoszcz, Ciechanow, Elblag, Kalisz, Kielce, Koszalin, Lomza, Lodz, Olsztyn, Ostroleka, Pilsn, Piotrkow, Rzeszow, Slupsk, Suwalki, Szczecin, Walbrzych and Zielona Gora.

The worst situation is in the Lodz and Walbrzych voivodships. All of the gminas in those voivodships were found to be highly threatened by structural unemployment. The situation is not much better in other voivodships, e.g., Koszalin (22 gminas were deemed to be threatened, including the towns of Bialogard, Szczecinek and Swidwin), Olsztyn (26 gminas including Szczytno, Ostroda and Lidzbark Warminski), Suwalki (19 gminas, including Elk) and over 15 gminas in Szczecin, 14 in Slupsk (Czluchow, Lebork, Leba), 11 in Piotrkow (Belchatow) and Elblag (Malbork), 10 in Lomza voivodship (including Lomza). Among the largest towns deemed to be threatened were Mielec, Inowroclaw, Dzialdowo, Starachowice, Ostrow Mazowiecka, and Walcz.

Both sides regard the list as open. It is to be verified each year and as the threat of new centers of mass unemployment appear, it is to be enlarged. Special attention will be given to the gminas that were on the broader list compiled by the committee and those that were found to need more thorough monitoring (e.g., Stalowa Wola). The list of privileges obtained by the gminas that qualified for the list were also to be verified.

Preferences for the Threatened

Preferences are set so as to incline both domestic and foreign capital to invest in these regions. Prizes are awarded for particularly large investments in infrastructure, the creation of new jobs, and the training of new workers.

- Some 636 billion zlotys was allocated from the budget for subsidies to investments creating new jobs in the regions.
- Existing joint-venture companies will be able to obtain even total exemption from income taxes (if the input of foreign organizations exceeds 2 million ECU's [European Currency Units]—approximately \$1.5 million).
- Physical persons conducting economic activity have the right to income tax reductions if they train workers.
- Economic organizations can claim maximum depreciation rates for machines and equipment.

The jobless will have the right to take early retirement. The Senate also proposed that the government be able to extend the period of their unemployment benefits to more than 12 months. For example, in the Lodz region, the period as been extended an additional six months.

Banking, Trade Expansion With Kaliningrad Viewed

Investment Opportunities

93EP0016A Warsaw GAZETA BANKOWA in Polish
No 40, 4-10 Oct 92 p 3

[Article by Joanna Trepkowska: "Barriers for the Wokulskis"]

[Text] Kaliningrad is a window on Europe for Russia today. The new generation of Polish Wokulskis [reference to family who profitably opened trade with Russia] treats Krolewiec as a platform for developing activity throughout the Commonwealth of Independent States [CIS].

German firms are also interested, although with a certain reluctance, in the home town of Immanuel Kant. To them Koenigsberg is still a zone that is too militarized. Despite this and several other serious barriers, everyone hopes it will be possible to establish there an international center for trade with the countries that have appeared on the world map after the disappearance of the USSR.

"Jantar" Bridgehead

In Russian economic policy, a special mission has fallen to the Kaliningrad region. By President Yeltsin's decree, the "Jantar" free economic zone was established a year ago. Although it has been temporarily "frozen," it is to serve as a link tying the Russian economy to the world economic system. On this testing ground, until recently an exclusively military one, there are to be attempts at rapid transplantation of the rules that govern the free market to a postsocialist organism. Systems of reductions and preferences are intended to encourage both domestic and foreign firms to invest. This in turn would ensure not only rapid economic integration of the Kaliningrad regions into Europe, but also the transfer of technology, first to Krolewiec, then to the Russian interior.

Foreign investors should be tempted above all by tax holidays, exemptions from customs duties on products imported into the zone and exported to the CIS and abroad, reductions in taxes and lease payments, a simplified system for hiring and firing employees, assurance of infrastructural services, a simplified system of entry and establishing residence for foreigners, access through the zone to the CIS wholesale market, freedom to choose financing sources, and the right to participate in managing the "Jantar" zone.

Naturally, efficient servicing of the free economic zone requires major investments: expansion of an appropriate financial, telecommunications, and transportation base. The Russians reckon that European entrepreneurs, especially their neighbors, will quickly enter into organization of the "Jantar" zone, whose existence will also guarantee them numerous advantages.

German capital is especially warmly invited, particularly since firms from Germany already operating in the zone have a lot of capital and are interested mainly in investment activity.

Discussions at the Table

But statistics indicate that for now Polish firms are the most dynamic. Of 220 joint ventures that are already operating in the Kaliningrad region, 120 arose with the help of Polish capital.

Only one in three enterprises of this kind have German roots. And it is no wonder. The road from Kaliningrad to Europe winds through Poland, and our entrepreneurs hope to take advantage of this favorable situation. Several voivodships that border the Kaliningrad region are also very interested in the economic development of the zone. Cooperation among these regions at the beginning of September was devoted to Polish-Russian roundtable discussions.

The discussions, which were chaired by Deputy Prime Minister Henryk Goryszewski on the Polish side, were most fruitful in the part dealing with transportation. It was decided that two railroad border crossings for movement of goods be opened: Braniewo-Mamonowo and Bartoszyce-Bagratinowski. Following appropriate outfitting, they will be accessible to international traffic. Most likely 1.5 million metric tons of Polish coal and coke will travel to Krolewiec on these rails. Highway crossings between Gronowo-Mamonowo and Grzechotki-Mamonowo II will also be opened. Finally, the border crossings between Bezgledy and Bagratinowski will be modified into a 24-hour crossing, accessible to international traffic next year. Under consideration is the issue of dredging and adapting to shipping the Mazurski Canal, and construction of the missing part of the Elblag-Krolewiec highway. In accordance with the provisions of the signed minutes, the Wislany Bay is to be opened to all flags.

Loans and Guarantees

Polish firms that operate in Russia are most interested in cooperation in the fields of trade, finance, and insurance. The roundtable in Kaliningrad did not produce anything new. In the minutes it was merely noted that Russian and Polish firms that intend to open banks and insurance companies can count on support on the part of the government. Business clubs will handle the development of economic cooperation: Polish clubs in the Kaliningrad region and Kaliningrad clubs in one of the Polish voivodships.

Polish firms are disappointed. They do not need business clubs, but rather good economic investigations that would quickly verify the credibility of partners. Instead of declarations of support for the emergence of financial institutions—bank branches servicing trade transactions with the East, and guarantees for executed operations.

Firms are waiting for guarantees by the government or national banks. Everyone is very familiar with the case of "Hodimpeks," which through a Canadian firm having guarantees from a government bank in Uzbekistan exported from Poland food worth \$45 million. The cargo left, but there was not and probably will not be any money. On this transaction, ostensibly insured on every side, firms that manage very well in trade with Russia lost money.

There are more of these traps and barriers that limit this cooperation. Barter will not take care of the problems of trade exchanges with the East, especially since partners on the other side of the border use numerous nontariff barriers in trade, as well as special surcharges on export tariffs. The only safe thing now, because it is guaranteed by the government, is barter for gas supplied to Poland. A list of food products (27 items) that we can export in exchange for a promised 2 billion cubic meters of gas has been prepared.

In September the Finance Ministry segregated 1 billion zlotys [Z] to support exports to the CIS. A resolution of the Council of Ministers will determine the regulations on which this system will operate.

Economic cooperation with Russia and the other countries of the CIS will require the use of various levers for quite some time. In particular, the "financial infrastructure" requires genuine support on the part of all interested states. Without money, clear accounting, and mutual protection of investments, it is difficult to dream about success.

Banking Opportunities

93EP0016B Warsaw GAZETA BANKOWA in Polish
No 40, 4-10 Oct 92 p 3

[Article by (SL): "Kaliningrad Halted"]

[Text] Last May the Bank for Agricultural Development SA [BRR SA] in Poznan, as the first of our banks, submitted to the minister of finance an application for permission to coestablish a bank abroad. This fact is worthy of note especially because the aim is to establish a bank in Kaliningrad, where banking is more backward than in Poland, and, more importantly, where a large group of Polish entrepreneurs is operating.

They are the ones who complain that one of the barriers to Poland's economic penetration of the East is the lack there of an efficient banking service that is interested in Poland. Official representatives have also perceived this; in the minutes following the recent visit of Deputy Prime Minister Goryszewski to Kaliningrad, there was a paragraph devoted to the need to undertake joint Polish-Russian banking ventures.

But on 31 August, the finance minister denied the BRR SA approval to jointly establish a bank there, giving as its reason mainly the negative opinion of the president of the National Bank of Poland [NBP]. Meanwhile, we

were told at NBP that the president did not issue an official opinion in the matter.

The intent is to establish an independent bank in which BRR SA and the Russian Wniesztorbank would control at least 30 percent of the stock, and entrepreneurs interested in the cooperation of both countries the rest. At the time the application was submitted, Russian regulations provided that minimum investment capital should be just 6 billion rubles (recently 100 million was mentioned), and Polish partners could also contribute in the form of an initial share.

So for a little money, the first bank with some of our capital could have originated abroad, where we need it most.

BRR SA in Poznan has 18 branches throughout the country and is among the largest of new banks. Its own capital amounts to 110 billion zlotys [Z] (giving it 20th place in our 1992 ranking) and, as was decided at the general meeting in August, it will soon be increased by Z60 billion.

Banking law devotes only one brief article to the procedure for establishing Polish banks abroad (85, providing that the financial minister issues an approval after obtaining the opinion of the NBP president); it does not determine what conditions the bank undertaking foreign investment must meet. It appears that approval may be denied in a situation where foreign investment would give rise to a threat to the interests of bank customers.

It is doubtful that a small initial contribution sent to Kaliningrad would have a negative effect on the bank's domestic operations (even if the planned bank in Kaliningrad were to topple quickly); indeed, this was an opportunity to establish our own zone for the development of Polish business with Russia. BRR SA has appealed the minister's decision to the Supreme Administrative Court; we will certainly report on the conclusion of this dispute.

Uneconomical Raw Materials Extraction Described

93EP0031B *Warsaw RZECZPOSPOLITA in Polish*
1 Oct 92 p III

[Article by Krystyna Forowicz: "Wasted Riches: Mineral Prices Are Rising"]

[Text] Extractive enterprises lack high-productivity technologies for the recovery of raw materials, which is why mineral resources are being wasted—such is the conventional wisdom. But the waste has been going on for many years because mineral resources had been abundant and

people used to associate ecology with lawn care rather than with rational management.

But now loss estimates prepared by the Ministry for Environmental Protection indicate the wastage of mineral resources accompanying the extraction of minerals has been averaging 900 million metric tons annually.

About 440 million metric tons of various minerals are extracted annually in Poland, along with about 170 million metric tons of gangue, one-half of which is discarded onto dumps.

In a free-market economy such losses must be reduced to a minimum. In the still not distant past extractive enterprises used to be given gratis by the state the deposits they were developing. The many years of fulfilling centrally determined quantitative plans are now coming home to roost. At present a majority of conveniently occurring deposits has been depleted. Henceforth the extraction of basic raw materials will be pursued under less favorable geologic and mining conditions (greater depths, thinner lodes or seams, lower proportion of minerals in ore, salinated water). The plundering of resources in the past has caused huge material and environmental losses which will now have to be repaired. It is to be considered that soon extraction costs will rise and the prices of the principal mineral raw materials will be higher as well.

A basic prerequisite for streamlining the management of mineral resources will be realistic prices of their extraction, with allowance for the cost of recultivating the surface areas of mines. It is likely that, even before the year is over, government subsidies for all mines, including black coal mines, will be abolished.

Another requirement for spurring improved management of mineral resources is the naming of the state treasury as their sole owner and the introduction of a licensing system for the prospecting for and extraction of minerals. That system was introduced in Polish legislation as of last March by the Law on Amending Geological and Mining Laws. That law establishes that the state treasury is the owner of mineral deposits and the ministry for environmental protection is the agency responsible for the protection and rational management of basic minerals (crude oil, natural gas, coal, sulfur, etc.). The management of local raw materials such as sands, gravels, clays, is the responsibility of the voivodes. The Bureau of Geological Licenses has been established for granting licenses.

Poland has rich deposits of mineral resources. It leads the world in sulfur extraction (34.5 percent of world output); and it ranks fifth in black coal extraction (4.9 percent of world output); sixth in brown coal extraction (5.6 percent); seventh in silver extraction (4.55 percent), and ninth in copper extraction (4.5 percent).

Unfortunately, for every ton of minerals extracted another ton is wasted, most often irreversibly. Consider the data below:

Wastage per Metric Ton of Extracted Minerals	
Black coal	2.32 tons
Brown coal	1.20 tons
Zinc and lead ores	1.66 tons
Copper ores	1.66 tons
Elementary sulfur	1.80 tons
Rock salt	5 tons
Barite	1.30 tons
Road and masonry stones	1.43 tons
Natural rubble	1.43 tons

A rational plan of work on ordering the geological aspects, scheduled for next year (establishment of archives of geological information, a data bank on deposits and resources, forecasting of new deposits), envisages a need for outlays of 650 billion zlotys.

Hungarian Minority Daily Views Election Results

93BA0044A Bucharest ROMANIAI MAGYAR SZO
in Hungarian 30 Sep 92 p 1

[Editorial by ROMANIAI MAGYAR SZO editor in chief Janos Gyarmath: "We Could Not Leave It Unanswered; Gridlock in Parliament?"]

[Text] While I am writing these words, the counting of the votes is still in progress, but the political map of Romania for the next years (or only months?) has already been outlined by the prognoses and the partial results which seem to verify them. One can discern the partially, but not totally, reshuffled power relations. What do they indicate? First of all, that a considerable segment of the country's population voted for the so-called left, either deliberately or perhaps rather beguiled by irresponsible populist and demagogue promises, being a little afraid of changes and of reforms which do not promise immediate results, and at the same time under the spell of chauvinist, nationalist slogans. Thus, together with the ruling party, along with the PUNR [Romanian National Unity Party], they brought into parliament Vadim Tudor's Romania Mare Party and Ilie Verdet's Socialist Labor Party. Fortunately, all of this happened to the detriment of Ion Iliescu's Front, because on the other side the forces which support real democracy—the Democratic Convention and its ally, the RMDSZ [Democratic Union of Hungarians in Romania—UDMR in Romanian]—have made progress, if not to the anticipated extent, then still to a considerable degree. If the dividing line is between these two groups, then one cannot see clearly yet which way the Front of Roman [FSN, National Salvation Front], this organization committed to democracy but of obscure origin, will swing. Since the FSN has the confidence of about 10 percent of the voters, it could be the tongue on the scale between the two camps, both in parliament and during the negotiations to form a government which promise to be difficult.

Thus, if we scrutinize the future, we are faced immediately with innumerable question marks, with tasks that seem, as yet, unsolvable. Perhaps the greatest of these is: When will there be a new government, and who will it consist of? Because its formation is by far not just a simple mathematical operation. Namely, at first glance it seems that the left, clustered around the FDSN [Democratic National Salvation Front] and Ion Iliescu and incorporating the smaller satellite parties, can form a fragile majority, but one that is still able to govern.... This would mean an open acceptance of political theses from which the FDSN has always tried to distance itself, at least outwardly, though they are not foreign to it. Moreover, spurned on by their success, the dwarfs could come forward, or are coming forward already, with demands that are unacceptable to the party that represents almost one-third of the voters. Ioan Gavra, deputy secretary of the PUNR, came out with nothing less than the request that the five most important portfolios of the government, namely foreign affairs, defense, education,

culture, and finance, be given to the PUNR. This can hardly happen, if only because the strongest party of every government coalition reserves these portfolios for itself (otherwise, it cannot exercise power). At the same time, if this were to happen, the real purpose of the PUNR would become apparent. But the Democratic Front [FDSN], accused of neocommunism, could hardly carry with it the Socialist Labor Party, which openly propagates a communist ideology, without discrediting itself both at home and abroad. Then what?

The situation is hardly better on the other side. The Democratic Convention [CDR], the country's second strongest political formation, must also look for allies. But where? The RMDSZ is a natural choice, but who else? Among the parties which will probably get into parliament, there is no one else, at the most the FSN, but even the three of them will not be able to form a majority. Thus, one can foretell that the formation of a government, if it is not impossible, will be the result of lengthy negotiations. It will also require great concessions with unforeseeable moral consequences, which will remain thankless, first of all because the economic, social, and political situation of the country no longer allows hesitation and dilly-dallying. Moreover, the situation of the country calls for a strong, decisive, authoritative style of governing—towards clear and attainable goals. However, there is no such power, and until new or rescheduled elections there cannot be one, because even in politics you cannot turn chalk into cheese. Under these circumstances, I am tempted to say that if the majority of the Romanian nation was unable to make a clear and unequivocal decision, basically in its own favor, then we should let it lie in the bed it made for itself. Because the greatest tragedy for the country would be if, yielding to momentary interests, the Convention and its allies gave up their moral high ground and entered a doubtful game, say, a so-called great coalition. This way, what would be gained on the one hand would be lost on the other. It would have to enter a new election campaign discredited, with a damaged reputation.

Vacaroiu on Advantages of Value-Added Tax

93P20036A Bucharest ADEVARUL in Romanian
14 Oct 92 pp 1, 3

[Interview with Nicolae Vacaroiu, state secretary in the Ministry of Economy and Finance, by Corneliu Cariani; place and date not given: "The Value-Added Tax"]

[Text] The government has issued Regulation No. 3/1992 and the Ministry of Economy and Finance has drawn up norms for the application of this regulation, according to which, as of 1 January 1993, the conventional tax on the turnover of goods, characteristic of the socialist economy, is replaced by another type of direct tax: the value-added tax, which exists in all advanced market economies. This is a basic change, an absolute innovation for our producers and businessmen.

[Carlani] Mr. Vacaroiu, what is the role of fiscal reform in the overall strategy for the transformation of the Romanian economy into a market economy?

[Vacaroiu] The major concern of specialists in the Ministry of Economy and Finance has been that we enact, within a limited period of time, a reform program that will provide us with a fiscal system similar to the system in countries with an advanced market economy. Therefore, beginning on 1 January 1993, an indirect tax, a value-added tax, will be levied on operations for the transfer of goods, as well as on services rendered on the territory of Romania.

[Carlani] What is the value-added tax and why is it necessary to levy the tax at this time?

[Vacaroiu] The value-added tax is a general consumption tax which will replace the current tax on turnover of goods. Why now? There are many reasons. In the first place, because, as we know, the tax on turnover of goods presents a number of inconveniences. This tax is levied on the product, during different stages of the economic cycle and, therefore, it is calculated gradually, as a product goes through a number of stages in various commercial companies—starting with raw materials, semifabricates, and roughly processed products—until the final product is obtained. As a result, the longer the process from raw material to finished product, the greater the tax levied at each stage. Secondly, the turnover tax is in a structure with many different amounts levied and is rather complicated in its application and verification. Another reason is the fact that the turnover tax has been replaced by a value-added tax in all advanced countries having a market economy.

[Carlani] Please expand on the definition of "value-added."

[Vacaroiu] In simple terms, "value-added" can be defined as the difference between sales and purchases at the same stage of the economic circuit. I will be more explicit: In the course of a month, a commercial company involved in the supply, production, and sales process carries on an intense activity related to the purchases of raw materials, semifabricates, energy, related to postal and telephone services and services of all types that represent the purchases of society. At the same time, it sells some of the products it manufactures, so it is involved in sales. The difference, in the course of a month, between these sales and purchases represents the "value-added" on the basis of which the "value-added tax" is calculated.

[Carlani] What are the characteristics of the value-added tax?

[Vacaroiu] First of all, it is an indirect general tax. Secondly, it is a neutral uniform tax, with payment in installments. This neutrality refers to the fact that this tax, which does not permit any kind of discrimination, is in the form of a levy that is applied categorically in all economic activities. The installment feature derives

from the fact that it is calculated for each stage in the production of the finished product. Thirdly, it is characterized by transparency, in the sense that it permits each citizen or each employer to know the exact amount of this tax. Fourthly, this tax is characterized by its uniformity, by the fact that, regardless of the process that the raw material goes through before it becomes a finished product, and regardless of whether it passes through two, three, five, or 10 companies, the value-added tax is always the same amount. Therefore, the amount of the tax is no longer dependent on the number of stages in the economic circuit. In other words, if a company with state capital "splits" into five companies and produces the same product, this has no effect on the amount of the tax, as is the case with the turnover tax. Finally, another characteristic is that the value-added tax is levied only in the country in which the product is consumed; that is, I stress, not where the product is produced but where it is consumed.

[Carlani] In light of the social and economic situation specific to our country, how can a certain degree of social protection of the population be ensured by the application of the value-added tax?

[Vacaroiu] Of course, a number of measures related specifically to our country have been taken: About 11 groups or categories of basic consumer goods are exempt from the value-added tax. These include meat, milk, bread, oil, butter, medicines, prostheses and orthopedic products, heating and cooking fuel, firewood, coal, electricity for residential use, urban public transportation, etc. At the same time, Regulation No. 3/1992 stipulates a number of activities dealing with products and services that are not subject to the value-added tax. The range of these activities is especially wide. Let me mention only a few: activities carried out by medical dispensaries, polyclinics, and hospitals, by units of the Ministry of Education, television, radio, press publishing houses, newspapers, etc.

Editor's Note: The complete text of the interview, which contains information of a practical nature of interest to all businessmen and all economic agencies, will be published in ADEVARUL ECONOMIC Nos. 35 and 36.

Minister Stresses High Cost of Unemployment

93BA0126A Bucharest ADEVARUL in Romanian
22 Oct 92 p 5

[Interview with Dan Mircea Popescu, minister of labor and social protection, by Al. Gavrilesco; place and date not given: "Unemployment Costs 40 Times More Than Retraining"]

[Text] [Gavrilesco] Minister Popescu, what precisely is the balance sheet in Romania with regard to the labor force and unemployment?

[Popescu] In a nutshell, Romanian labor force figures are as follows: There are 13.4 million people of working age, of which 10.8 million are engaged in the various sectors

of the economy. Of these, 7.1 million are salaried employees. The remainder include students of working age, people working at home, and people seeking work—that is, the unemployed. Regarding the unemployed, I should point out that the number receiving unemployment benefits rose from 266,000 on 1 January 1992 to 526,000 at the end of September. If we include those persons whose unemployment benefits have expired, as well as those who are officially in the work force but are not covered by Law No. 1/1991, then the total of those looking for work, the unemployed, stood at 856,500 on 30 September 1992. That is an unemployment rate of 7.7 percent. As a result of some inquiries made in Bucharest and in the other counties of the country, we have been alerted to the imminent possibility of another 287,000 salaried employees being laid off, either temporarily or permanently. These would come from the machine building, electronics, and electrical branches of the economy, and from textiles and leather goods.

[Gavrilescu] Can you tell us something about the professional makeup of the unemployed?

[Popescu] Of the total unemployed, 88 percent are skilled or unskilled workers, 10 percent have a midlevel education and 2 percent have advanced education, primarily engineers.

[Gavrilescu] Do the ranks of the unemployed include the young?

[Popescu] Unemployment has been particularly hard on young people. From the information we have, 50 percent of the registered unemployed are under 25 years of age, 13 percent are between 25 and 29, and only 6 percent are over the age of 50.

[Gavrilescu] Can you tell us what are the social costs of this phenomenon?

[Popescu] From the unemployment fund, which totals about 100 billion lei, we have spent 30 billion lei for benefits for the unemployed and for personnel still at the economic units (60 percent of normal salary); while we have spent 823 million lei for training and retraining of laid off workers.

[Gavrilescu] Minister Popescu, can you sketch for us the outlines of the social protection program in the upcoming months?

[Popescu] Social protection represents a range of activities undertaken by society to prevent, ameliorate, or eliminate the consequences of certain events considered "social risks" to our people's standard of living. If at its beginning, the social protection program was limited to social security (ensuring social assistance), today it also encompasses social living conditions (health, instruction and education, culture, rest and recreation facilities, the sociopolitical environment, respect for law and social order etc.), as well as material living conditions (the right to a job, working conditions, income and consumption,

the home and the home environment). Given the complexities of social protection, one cannot make a valid overall forecast for all of its components. As far as the near future is concerned, we hope that the downward trend in the standard of living will stop, and for next year and the following years we hope that we will see a gradual improvement in the quality of life.

We know that the standard of living and, implicitly, social protection is a function of the country's economic health. Society cannot consume more than it produces. For this reason, in times of economic crisis social protection needs are always at odds with the resources available for satisfying them. This is the situation in which we find ourselves today. Thus, our primary concern is how best to use existing economic and financial resources, so that our social protection program can give priority to those persons most in need, thereby minimizing the effects of the economic recession on the ability to meet basic needs. At the same time, we are engaged in drafting the social assistance law, unifying the different social security programs, reforming the pension system, and identifying ways to diversify social protection services and financial resources. In addition to modernizing these factors, these efforts will also render improvements in social protection consistent with economic growth.

Role of Wood Industry in Economic Recovery

93BA0062A Bucharest DIMINEATA in Romanian
1 Oct 92 p 1, 5

[Interview with Marin Nicolae, state secretary and head of the Department for Wood Industry, by Gh. Bogdan; place and date not given: "The Wood Industry Is a Resource for Relaunching Our Entire Economy"]

[Text] [Bogdan] In recent years, the wood industry has performed somewhat better than other branches of the economy. There has been a smaller drop in production, its exports have been significant and, importantly, it has had one of the smallest unemployment rates. Why is this the case?

[Nicolae] Yes, it is true that in recent years the Romanian wood processing industry has operated at 71-to-75-percent capacity, which is much higher than the 51-52 percent average for industry as a whole. One reason may be the very structure of this branch of industry. As you know, we are the beneficiaries of our own resources. In addition, we negotiated with those in charge at Romsilva and agreed upon a more realistic pricing policy for raw materials. Here, of course, you might object and point to the price of furniture for example, which is still very high. But this is really not our doing, but rather that of the industries that participate in the production process, such as producers of fabrics, adhesives, paints and dyes, etc. I would also like to mention the excellent training of our work force and our specialists, and their capacity to adapt to changing situations. Since the majority of our industry is destined

for export, we have worked very hard to establish and maintain a guaranteed foreign market. This has allowed us to continue production and obtain the funds to do so. We also use psychology, promoting the idea—which is true—that the wood industry is a good sector and a resource for reigniting the entire economy. Work at the ministry, at the department, has been driven by industry requirements—frequent contact with our economic administrators, involvement in addressing their concerns, and transferring the most useful information to companies and their management so that they can always be well informed in their work.

[Bogdan] Can you give some specific examples?

[Nicolae] Here are some: participation in international commercial activities, such as expositions and trade fairs; establishing certain mechanisms and organizations that are useful at this time, for example, the Piata Neamt Association of Producers of Resinous Goods and Materials; working efficiently to unfreeze funding; carefully analyzing the development strategies of our businesses so that the solutions adopted will be optimal and in line with the general restructuring strategy of the industry; and finally involvement in foreign markets, that is, processing wood from Russia and other countries. In short, we are making a sustained effort to increase our contribution to the welfare of the general economy, being convinced of the importance of this contribution. This is a conviction I strive to pass on to my coworkers.

[Bogdan] There are those who say that the directors of some of your companies will not carry on a dialogue with the trade unions.

[Nicolae] I am surprised to hear that. I would ask that in such cases that you name names, not speak in generalities. Certainly there are conservatives among us who agitate for centralism, for example. But the basis for development in today's world is supply and demand regulated through money. However, I will say that in the wood industry we have a dialogue between trade unions, management, and employer that works, and the proof is reduced unemployment.

[Bogdan] Can privatization contribute to a reduction in furniture prices?

[Nicolae] Not immediately and not directly. Of primary importance in our wood processing businesses is a correlation between salaries and prices; high salaries mean more expensive furniture. Privatization as a way of achieving efficiency, progress, and a modern and dynamic economic activity means a better understanding by producers of the need to earn more, while respecting and managing our national resources in the most responsible way. In this context, reducing production costs becomes a primary requirement. At the same time, privatization will lead to product innovation, including less expensive product lines, simpler products of cheaper materials for young people, using the considerable resinous resources we have at our disposal, and production programs of shorter duration, etc. Privatization must, however, take into account all of the horizontal elements of furniture production, without which we cannot operate less expensively, such as transportation, the chemical and metallurgical industries, light industry, energy, etc.

[Bogdan] What must be done to make the wood industry more profitable?

[Nicolae] Toward this end, our primary objectives are: shortening the technology cycle from timber harvest to finished product; mobilizing related industries to produce the materials needed for furniture and other wood products more efficiently; better use of our great resinous resources; developing the processing of red pine and birch from Russian forests; developing auxiliary industries; producing high-quality, unfinished furniture; and promoting efficient partnerships both in our country and abroad based on the economic principle of mutual interest. Across this entire spectrum there must be quality leadership from the company director who, it really is not necessary to say again, must be competent and devoted to the company, its interests, and the people who work in the company. He must be, in short, the spearhead that propels the firm toward performance.

[Bogdan] How is this felt at the workers' level?

[Nicolae] The performance of the enterprise is what assures its continuity and development; in other words, it is performance that guarantees the job and the salary of the worker. Poor performance closes factories and leads to unemployment. Any director who is at fault must be replaced.

Interior Ministry Data on War Casualties

93BA0133B Ljubljana DELO in Slovene 27 Oct 92 p 10

[Article by Zoran Odic: "A Fifth of the Victims Were Children"]

[Text] *According to the latest data from the Bosnian Interior Ministry, more than 100,000 people were killed in the war in Bosnia-Herzegovina just until August; terrible stories.*

According to incomplete official data from the Bosnia-Herzegovina Ministry of Internal Affairs, by the beginning of August more than 100,000 people were killed in the war in Bosnia-Herzegovina, a good 150,000 people were wounded, more than 300,000 people passed through concentration camps, and about 2 million people were driven out in "ethnic cleansing" operations. Among these refugees are around 800,000 so-called internal refugees, who were driven out of one part of Bosnia-Herzegovina into another (for instance, members of the Croatian and Muslim nationalities who were driven out of the Bosnian Krajina into Herzegovina and central Bosnia), and 1,200,000 of them have the status of temporary refugees in Croatia, Slovenia, and other European states.

Among the refugees, about 70 percent of them are women and children, and among the dead and wounded children constitute at least a fifth, which means that Bosnia-Herzegovina has been left without its youngest. This demonstrates that the bandit military formations that are called the Yugoslav army and their Chetnik-Arkan-Seselj comrades have set a goal of deliberately destroying Bosnia-Herzegovina's economic and human resources.

According to stories in the latest information from the Bosnia-Herzegovina Ministry of Internal Affairs about war crimes, 16,000 people were forcibly expelled from the Bratunac municipality in just one day. About 700 of

them were taken to Sekovici, locked up in the gym and building of an elementary school, and shot. The surviving witnesses, whose names are not cited because the aggressor could retaliate against their relatives, maintain that 150 people were killed in just one day. Their corpses were driven by trucks to Bratunac, where they were thrown into the Drina. Between 10 and 15 May, about 700 people were killed in Sekovici alone. In the villages of Hramca, Glogova, Loznica, Zalogje, Voljevica, Hrasno Polje, Login, and Mihaljevici, all the houses were burnt to the foundations, and in the vicinity of Skeljani, all the village residents older than 50 were killed and then their houses were burnt; the younger ones were "saved" for an exchange. In the villages around Kludanj and Vlasenica, 92 people were killed and then fires were lit in their houses.

Of the 5,000 people driven together into the concentration camp in Luka Brcko, 3,000 of them were killed; women and girls, even 13-year-old girls, were taken to Caparde, where they were raped daily.

In the village of Zaklopac near Vlasenica, all the village residents were killed except those who were tied to beds. The residents of the village, which is part of the "Serbian municipality of Milici," were promised that nothing would be done to them if they surrendered their weapons. When they gathered in order to negotiate with the "municipal officials," they were surrounded by about 70 masked men who shot them with infantry weapons.

More than 10,000 prisoners have passed through the camp in Foca, and at least 1,000 of them were killed, and the same thing happened in Visegrad, where a majority of the camp inmates were killed in the barracks of the former JA [Yugoslav Army] in Vardiste, an elementary school, and the larger private houses. At the Vilina Kosa hotel, the "liberators" who came from the eastern bank of the Drina locked up girls and women and entertained themselves with them in the most vulgar way, and then killed most of them and expelled the rest.

Negotiations To Form Left-of-Center Coalition

93BA0151C Ljubljana DELO in Slovene 28 Oct 92 p 2

[Article by Marko Jakopac: "Lengthy Negotiations Have Not Brought a Decision"]

[Text] *The left, left-of-center, and center parties are being driven toward agreements by the cooperation and alliance among the opposition parties; specific nature of individual parties.*

Ljubljana, 27 Oct—It has already been heard several times before today from many representatives of the so-called left and center parties that Demos [United Opposition] was also successful in the previous elections because of their parties' fragmented and uncoordinated approach. Most of them thought in this regard that the parties should no longer repeat this mistake, and that is why they have started to negotiate on forming some sort of agreement on a possible joint approach in the elections, following the model of the present opposition parties. At first it appeared that an agreement was not far off, but one can judge from the latest statements that the ties among the parties are nevertheless not that solid.

According to statements by their representatives, most of the left-of-center parties have decided to act independently in the elections for the State Assembly. They are emphasizing that the electoral system itself allows them to do so, and some of them are added that the response among people in the field has also encouraged them to do so. Talks are still taking place on a possible alliance in the elections for the State Council, but most of the party representatives do not consider them very successful. To be sure, none of today's interlocutors rejected in advance the possibility of coming to such an agreement, but it is obvious that individual parties are not very interested in cooperation in the elections for the State Council. Dr. Jozse Pucnik (SDSS [Slovene Social Democratic Party]) said that in the past the party had participated in several quite nonbinding talks among the left-of-center parties, in which they discussed possible joint candidates for the elections to the State Council. He personally assessed the talks as not very successful, but he added that they would continue them. He added that the Social Democrats intended to act independently in the elections for the State Assembly, as was in fact decided at the party's recent convention.

The representative of the Slovene Greens, Boze Flajsman, said that they were very interested in forming some sort of center coalition. He assessed the participation in informal talks on forming joint candidate lists for the elections to the State Council as relatively unsuccessful. He emphasized that the representatives of some of the parties had acted quite arrogantly and irresponsibly at these meetings, and even condescendingly toward other parties, saying "We will win the elections without you." Flajsman said that the Greens were still in favor of agreeing to cooperate in the elections for the State Council, but intended to act independently in the elections for the State Assembly. The names of all the

candidates have already been assembled, and they will soon be presented to the public.

Primoz Hainz (SSS [Slovene Socialist Party]) said that there were no longer any doubts about the presidential candidate. They talked seriously with the Social Democrats for some time about cooperating in the elections for the State Assembly, but this idea was rejected, and consequently the Socialists will participate in these elections with independent candidate lists. Negotiations are still being conducted within the left-of-center coalition on not having competing candidates in individual electoral districts. Hainz also mentioned that the parties were talking about cooperating in the elections for the State Council, and so far there had not been any visible successes, but they were still being driven to reach an agreement by the opposition parties and their agreement on cooperation.

Democrat Tone Persak said that for a long time the Democrats had advocated forming some sort of center coalition in Slovene political life that would represent the strongest political option in our country. In this regard they had in mind primarily the Social Democrats, the Greens, and the Socialists, although some of these parties have some leftist elements. In this regard Persak emphasized that they did not view centrism as a point, but rather as a rather broad political area. He also mentioned the emergence of the so-called government coalition that could actually be designated as a left-of-center one; within it, attempts would be made primarily to reach an agreement on some sort of pre-election fair play, but the attempts to date had not been very successful. The Democrats expect the most from the negotiations on cooperation in the elections for the State Council, at least in some electoral districts. Tone Persak emphasized that his party's principal interest was still the political center. It will participate in the elections to the State Assembly with independent candidate lists, which it is allowed to do by the electoral system itself, and also since the party, because of its program, is so specific that it cannot "marry" anyone at all like that.

Mauricio Olenik (SDP [Party of Democratic Changes]) explained that for the elections to the State Assembly the Reformers would put together joint candidate lists with the Workers' Party, the Social Democratic Union, and the Retirees' Party, and consequently they did not intend to cooperate with a left-of-center coalition composed of the Social Democrats, Democrats, Greens, and Socialists. They are also negotiating with the parties in the present government coalition about participation in the elections for the State Council.

Official Reaction to Oct Price Increases

93BA0151A Ljubljana DELO in Slovene 28 Oct 92 pp 1-2

[Article by Marjeta Sostaric: "The Government Says It Is a Seasonal Increase in Prices"]

[Text] *A press conference by Planning Minister Kracun on the data published on October's growth of prices and the cost of living; inflation still under control?*

Ljubljana, 27 Oct—After the publication of data on the October growth in prices by 3.4 percent and in the cost of living by 3.9 percent, it is being said that the government is no longer controlling inflation, that the already familiar story is being repeated, etc. Those comments are completely unfounded, claims Minister of Planning Dr. Davorin Kracun.

In order to convince journalists and the public otherwise, the government prepared a press conference today. At it, Minister Kracun emphasized that with 1-, 2-, or 3-percent monthly inflation, one should take into account the elasticity of these inflation rates, "which can react to any sort of irritation that would otherwise be unnoticed with high and galloping rates of inflation." In his opinion, a seasonal influence can still be recognized in the current price growth. There has been a considerable jump in prices for pasta, for instance, which became 17 percent more expensive this month. Without taking into account the seasonal influence, as he stated, prices in October should even have declined, namely by 2.8 percent (according to the established method of calculating prices without seasonal influence, known as the x-11 method, which is used for calculating inflation indexes). This is supposed to prove that the seasonal effect on price increases cannot be ignored. Even though it is true that not too much significance is attributed in the world to monthly inflation rates, since only annual inflation means something, as Minister Kracun claimed, for some time to come we will probably be looking at these figures with concern and trying to determine whether inflation is under control or not.

Although dissatisfaction with the fact that October's inflationary growth exceeded September's can be observed on the part of everyone in the government, according to Kracun there are several indicators that show that inflation is nevertheless under control and that there will not be any substantial rise again: The producer prices of industrial products only rose by 1.1 percent; the personal incomes paid in September were only 1.1 percent higher than the month before, and in the economy they only increased by 0.8 percent. This should prove that the government's efforts to curb wages have had a certain amount of success.

"With the gradual elimination of the causes of inflation, certain discrepancies appeared, imbalances among individual indexes. In spite of this I think that there is already a general trend toward settling down, and that the comprehensive economic policy plan that we are preparing for next year—it will be published in a few days—will also give a clearer picture of the significance of the incentive and stabilizing elements in the economic policy concept."

Somewhat more concern, according to Kracun, is nevertheless caused in all of this by the growth in food prices:

Agricultural products became 7.1 percent more expensive in October, which is substantially more than the general index of price increases. Even if the seasonal influence were subtracted for agriculture (by the x-11 method), the calculation would show an approximately 5-percent growth in prices. Thus, among the agricultural products, except for seasonal fruits and vegetables, there was also an increase in the price of meat (by 8.3 percent), lard (9.1 percent), etc. This should encourage the government to check on whether the current price policy for food is appropriate, or more precisely, whether the current export incentives are advisable in all cases. Among other price increases that also stand out more are apartment rents, which increased by an average of 24.8 percent.

In spite of the quite high increase in rent prices, it is nevertheless under control, according to Kracun, since with that much of a jump in prices it has to do with a decrease in the differences among individual regions in Slovenia and the introduction of unprofitable rents (in accordance with the housing law). A few days ago the government already adopted measures (a decree by the Ministry of Trade) aimed at slowing to some extent the transition to a full 2.9-percent unprofitable rent, and for that reason as well one should not expect any major increase in rent prices during the coming months.

There are also individual signs of economic revival, according to Kracun, who emphasizes that in any case on the basis of these it is not yet possible to speak of any new investment impetus, but that the depression is over for good. In his opinion hope that the recession has bottomed out is aroused by the fact that the index of the real volume of economic activity (according to calculations by the Institute for Macroeconomic Analyses) showed a 1.8-percent growth in September, including a 0.2-percent growth in industry, a 17-percent growth in transportation, and a 4.1-percent real growth in commerce. These calculations were performed without taking into account the seasonal influence, which should arouse hope that there will no longer be any drastic declines in production.

Market Minister Davor Valentincic also said that at a joint meeting of the committee on the economy and the Agriculture Ministry, they had proposed a new protective price for wheat, by which the Slovene protective price for wheat would essentially become equivalent to the protective price in the EC states (the intervention price of wheat in the EC is now 19.20 tolar per kilogram). The government will have the last word with respect to the protective price for wheat for 1993, very probably as early as this week. Price adjustments for milk are not yet justified, the committee thought, since even at the purchase price now set for milk the dairies cannot sell everything in advance without incurring losses in doing so (export incentives are needed). He also announced rate reductions for imports of pesticides that would give the beneficiaries access to cheaper raw materials. Innovations are also promised in the sale of

imported goods in our stores, where the current confusion in the sale of all sorts of goods (including smuggled ones) is to be rectified by an appropriate designation of the goods (declaration) in Slovene.

Operations of Foreign Banks Regulated

93BA0151B Ljubljana DELO in Slovene 28 Oct 92 p 1

[Article by Miha Jenko: "Operation of Foreign Banks According to the Principle of Reciprocity"]

[Text] *Only foreign banks that participate in financial rehabilitation can count on all types of transactions.*

Ljubljana, 27 Oct—The council of the Bank of Slovenia [BS] has adopted standards according to which it will grant permits for the operation of foreign banks. As stated at today's press conference by BS Governor France Arhar, in the future only those foreign banks that participate in the financial rehabilitation of our banking system in cooperation with one of the banks can count on a full permit to conduct all types of banking transactions.

Foreign banks that would like to establish a 100-percent foreign bank here will probably receive only a limited permit, in accordance with the law on banks. In its strategy with respect to foreign banks, the council took into account national interests and the principle of reciprocity. It was stated that because of the Slovene Assembly's delay in passing legislation on the financial rehabilitation of banks, monetary policy has found itself at the edge of the projected monetary limits, and only the Assembly can designate possible new limits.

According to BS council member Velimir Bole, the postponement of financial rehabilitation of the banks will seriously affect the economy, and the consequence may be a decline in activity similar to the one that resulted from the loss of markets. In response to a question about how he would comment on the 3.4-percent monthly inflation rate in October, he said that September and October were months with a strong seasonal influence upon price increases. In his opinion, only two things are possible here: either we have relatively low inflation, as we do now, or else very high inflation; no intermediate degree is possible. In response to a question from DELO about the size of the Slovene monetary reserves and the money supply (M1), we learned that the net foreign exchange reserves are \$1.140 billion, and the money supply 68-69 billion tolar, with the amount of primary money 34 billion tolar.

Dr. Arhar also announced that the BS would take out of circulation the 1,000-tolar scrip that would cease to be legal tender on 6 November. Citizens will be able to exchange it until next February at SDK [Public Auditing

Service] units and at the BS, and the latter will also exchange it later for those who may miss the deadline.

Possible Government Bailout of Ironworks

93BA0151D Ljubljana DELO in Slovene 29 Oct 92 p 1

[Article by Tonja Slokar: "The Future of the Ironworks Is in Parliament's Hands"]

[Text] Ljubljana, 28 Oct—After all the government's efforts to acquire foreign partners for additional capitalization of the Slovene Ironworks proved fruitless, it is now clear that Slovenia will have to bear the entire burden of their financial rehabilitation. The government reacted quickly, and at today's special meeting adopted a package of laws for financial rehabilitation of the Slovene Ironworks, which are a basis for their comprehensive renovation. It immediately sent it to parliament, which is supposed to decide next week on the fate of the ironworks, along with the proposed laws and rehabilitation program.

As stated after the government's meeting by Minister of Industry Dusan Sesok, the government has thus now done everything for the Slovene Ironworks that was within its power, but now it will soon be shown in parliament whether the political parties' concern for the Slovene Ironworks was only acted out for political purposes, or whether there was a serious desire to relieve the ironworks of its great burdens. Specifically, the deputies will have to decide on three laws: a law on the Republic of Slovenia's guarantee for bonds that will be issued by the Slovene Ironworks to settle tolar and foreign exchange long-term and short-term loans, and then a law on settling for the ironworks' losses and a law on Slovenia's guarantee for obtaining loans to be used by the ironworks to ensure permanent working capital. The entire package amounts to 520 million German marks [DM]. The ironworks, in fact, have almost DM200 million in losses that were accumulated last year and this year, and DM250 million in unpaid loans that the state would now convert to public debt; in addition to this, they are also DM72 million short in permanent working capital.

Dusan Sesok acknowledged that this was an extremely big mouthful, the kind that so far Slovenia had not yet tried to swallow, and that in future years these state obligations to the ironworks could be a serious burden on the Slovene budget. He added that the government could not give a firm guarantee of the success of financial rehabilitation, since the mouthful was a big one, and the situation at the ironworks was complicated, but they were betting a great deal on the well-organized team of Dr. Andrej Ocvirk, which already had several successful financial rehabilitations behind it.

UN Human Rights Experts on Fact-Finding Trip

93BA0135A Belgrade BORBA in Serbo-Croatian
20 Oct 92 p 12

[Article by Zoran Saponjic: "Two Sides—Two Truths"]

[Text] Novi Pazar—If Messrs. Bakre Vali Ndiye and Roman Vierzevski and Mrs. Lindsey Cook, experts of the UN Human Rights Committee, who last Saturday traveled from Belgrade to Novi Pazar, by some chance had fallen asleep in their car and then suddenly had woken up in the center of the Sandzak capital, in the first moment they might have thought that the driver had made a bad mistake at some crossroads and that they were already far beyond the border of a country aggrieved by war.

Their gaze first would have dwelled on the shop windows of the grocery stores in the market, overflowing with oranges, lemons, bananas, and other exotic fruit. Then their car would pass stores overflowing with foreign footwear and clothing, and if for a moment they thought that the shoes and coats came from some kind of reserves, at the next corner they would no longer have any illusion about that. Crates of fresh imported juices, beer, canned food, bags of laundry detergent, and all kinds of other foreign goods might have convinced them of anything, but not the fact that they were in the center of a poor province "occupied by the military and police" in a country affected by war and an embargo.

But that was only the beginning of the weekend such as the experts, by all appearances, did not expect. The cold auditorium of the Opstina Assembly brought them back to reality for a moment, but the next wonder was waiting for them in that very auditorium, where they found both Serbs and Muslims sitting together opposite them at the same tables. Comrades of those same Serbs and Muslims who some 30 km away, in Bosnia, are slaughtering and killing one another. President of the opstina Kosta Jovanovic, Deputy Mahmut Memic, policeman Mirko Rakonjac, and Judge Nufo Mehovic were talking to one another and, as the observers themselves could see, they were not even giving each other bad looks.

It cannot be said with certainty what happened after that in the closed-door meeting and what each said to the other. But Jovanovic did comment after the meeting that the guests were offered "a broad range of information and that the discussions were tolerant."

Armed with numerous documents, papers, tables, and facts and amazed at the mutual tolerance of those present at the meeting in the opstina, the observers were able to move on to listen to the other side, that is, other Muslims.

After a lengthy wandering through the streets, lanes, and courtyards of Novi Pazar, their hosts were somehow found, and the conversations, somewhere around midnight, could begin. Although surprised by the visit, because they were expecting Mr. Mazowiecki, who had

been announced the next day, Mr. Rasim Ljajic, secretary of the party, and his associates Zevdzo Huric and Sefket Brkovic, kept a cool head. And it was the newly arrived observers who were more confused, and after Ljajic's very first sentences they might well have asked themselves whether Rasim Ljajic and Kosta Jovanovic even lived in the same town? The observers were told by the people at the SDA [Democratic Action Party], as far as we know, that Sandzak is occupied, that the Muslims are exposed to horrible military and police terror, that the situation is rapidly becoming very strained, that conflicts are possible, that the experts concerning human rights violations are in the right place, and that they will have their hands full of work to do in Sandzak.

The experts reached their rooms in the Hotel Vrbak, which had been heated for this occasion, just before dawn, but they were not able to sleep long. Yet another wonder awaited the observers. As early as 0600 hours, the Hotel Vrbak began to tremble from the engines of many buses that began to arrive in the hotel parking lot. And just when the observers, still under the impression of what they had heard from Ljajic, thought that the Yugoslav Army was bringing up reinforcements, hundreds of shopping tourists began to alight from the buses, armed with satchels, shopping bags, and bank notes, and they rushed toward the Novi Pazar flea market.

Had they counted them, the observers on Sunday morning might have numbered 117 buses from many Serbian cities in the streets of Novi Pazar, with people who had gone shopping to Novi Pazar because they could not go to Trieste or Istanbul. We do not know what happened after that and whether the experts themselves managed to get to the Novi Pazar flea market, but it is a real pity if they did not make it. After all, there they could really have seen and bought what cannot be found even in Belgrade. Hundreds of stalls, trucks, and vans overflowing with solid goods. If the observers had by accident passed by and entered into conversation with the owners of the goods, they might have learned that they had just arrived from Turkey over the Bulgarian border, that the sellers and owners of the goods were Muslims, and that half of Serbia gets its supplies in Novi Pazar.

They might also have heard that the daily turnover at the market runs to millions of marks and that when it comes to the embargo by the Bulgarian customs officials and U.S. observers at the border, the German mark solves all the problems and finishes the job. Also on Sunday morning in the center of Novi Pazar, right next to the police patrol, the experts could buy gasoline and kerosene from some of the sellers in the middle of the street. And they could have bought tons of it if they needed that much.

They did not even have to take a walk through streets near the Hotel Vrbak and the Lipa Restaurant. From a passing car, Messrs. Ndiye and Vierzevski and Mrs. Cook could see hundreds of thousands of German marks

changing hands in the largest currency exchange in the Balkans, with the police patrol right there.

Germany's Violation of Sanctions Alleged

93BA0135C Belgrade BORBA in Serbo-Croatian
20 Oct 92 p 2

[Article by S.B.: "From the Arsenal of the Former Yugoslav People's Army"]

[Text] German television stations reported last night that the German police in the Province of Lower Saxony arrested four professional arms dealers who smuggled arms into Germany from the reserves of the former JNA [Yugoslav People's Army]. Two Germans, one Croat, and one Bosnian, the police said yesterday, were arrested on Friday near the city of Ulm. They confiscated 40 hand grenades, one machine gun, four pistols, ammunition, and two automobiles.

The illicit trade with Yugoslavia was also the topic last night of the TV news program "Monitor" on German television's First Program. That program's reporters said that several trials are being conducted in Hamburg and Bremen because of violations of the embargo toward Serbia and Montenegro. "Monitor" says that 40 ships have violated the embargo and loaded and unloaded cargo in ports in the north of Germany. The ships sailed under the Maltese flag, but German newsmen discovered that Yugoslav enterprises were behind them.

The minimum sentence which awaits the "maritime" violators of the embargo in Germany is two years in prison.

Macedonian Parties With Foreign Ties

93BA0074A Skopje NOVA MAKEDONIJA
in Macedonian 5 Oct 92 p 2

[Article by Lj. Profiloski: "Indigenous Parties Only"]

[Text] *Macedonia is perhaps the only country in the world on whose political scene parties with headquarters in other countries and parties of foreign political origin, with programs that violate constitutional stipulations, are functioning.*

The coming by-elections in three electoral districts for representatives in the Republic's parliament raise even more seriously and pressingly the issue of the functioning of parties in Macedonia whose centers or headquarters, in which their main policy and strategy are formulated, are located in a foreign country. Specifically, this applies to the electoral district of Gazi Baba Opstina in Skopje, whose candidates belong to the Democratic Action Party, the headquarters of which, as we know, are in Bosnia-Herzegovina.

A number of parties are active on the Macedonian political scene, which are no more than branches of parties that have been organized and are active abroad, in other countries that were part of the former Yugoslav

community. To begin with, this applied to the SK-Movement for Yugoslavia [League of Communists-Movement for Yugoslavia], whose main seat was in Belgrade and that later became the SKM-DJ [League of Communists of Macedonia-Movement for Yugoslavia] and the Party of Yugoslavs. Later, the Party for Democratic Action, which is a political party of Muslims in Bosnia-Herzegovina, opened a branch in Macedonia, and now the founding of the Cetnik Radical Party of Serbs, headed by self-proclaimed commander Voislav Seselj, has been announced.

In this respect, Macedonia today is undoubtedly a world rarity because there is no other country in the world on whose political stage parties centered in other countries, or parties whose political and strategic objectives are formulated in another country, or parties whose political programs call for action in other countries function. Justifiably, Macedonia may be given as a political example of democracy and openness to the world, and also as a testing ground for the influence various foreign political, military, and strategic interests exert on the country's prosperity.

The presence and functioning of such parties centered outside Macedonia, whose political stipulations and programs violate the Constitution, are triggering a reaction and raising open questions concerning their existence on the political scene of the Republic, their registration, and, in general, their political status. According to information supplied by the Macedonian Ministry of Internal Affairs, all such parties are registered, which means that they are functioning legally. The problem, however, is that their registration was based on the Law on Public Organizations and Associations of Citizens, which was passed in 1990, under the laws of the former Yugoslavia.

Although two years will soon have passed since the first multiparty election was held, Macedonia still has no law on political parties, and party registration is based on the supplementary Law on Sociopolitical Organizations and Associations of Citizens, which was passed at the very beginning, when, for the first time, mention was made of pluralism in the Republic; when there were only social political organizations, associations, and civic movements; and when Macedonia was a part of Yugoslavia. According to that law, "only citizens of Yugoslavia could be members of public organizations and associations of citizens." Therefore, from the legal point of view, political organizations—that is, parties functioning in Yugoslavia—could function in Macedonia. However, inasmuch as Yugoslavia no longer exists, the legal aspect of their registration becomes an issue. But it looks as though the authorities rarely take that into consideration, and the registration and functioning of foreign parties is continuing freely as we wait for the new law on parties. Such a law was not included in the agenda of the Macedonian Assembly, however.

The new law on political parties was drafted by the previous Macedonian Government and, according to Assembly procedures, should be included in the packet

of electoral laws. For some unknown reason, though, that packet of laws remains in the government's drawers. According to our information, that law stipulates that only indigenous parties can operate in Macedonia, and no party whose headquarters are outside the Republic may be registered.

Gligorov on Macedonia's Relations With Neighbors

93BA0133A Ljubljana DELO in Slovene 27 Oct 92 p 10

[Interview with Macedonian President Kiro Gligorov by Jelena Gacesa; place and date not given: "The Neighbors Want To Partition Macedonia Again"]

[Text] *President Kiro Gligorov, in an interview for our newspaper, talks about the difficulties this young Balkan state has in asserting itself and striving for recognition by the international community.*

Is the Greek game with Macedonia's name actually an attempt to conceal the essence of the Greek-Macedonian problem: denial of the numerous Macedonian minority in Greece and possible demands for compensation for Macedonian refugees from the civil war in Greece and their descendants?

[Gacesa] Greece is trying to destabilize Macedonia economically and politically so that it can say later that it cannot live independently and so that its neighbors can partition it, as during the times of the Balkan wars, for instance.

[Gligorov] What we have already seen in Serbia has happened in Greece: First of all they created a strong emotional atmosphere that could homogenize the nation. Serbia's reason was Kosovo, and in Greece it is Macedonia as a Greek heritage. We, however, do not have any aspirations toward ancient Macedonian history, Alexander the Great, but on the other hand we have already been living with the name Macedonia for centuries. The real reason for creating the above-mentioned atmosphere in Greece is to conceal domestic problems. Officials in the world have also cited the following argument to us: Greece's retreating from its demands would mean the fall of Mitsotakis's government, and the opposition and the government are competing on this basis over who is more patriotic. You can imagine the consequences of that situation. On top of everything, it is deeply rooted in Greek tradition that everyone who lives in Greece has to be Greek. They recognize neither ethnic minorities nor the human rights that would be associated with them. Macedonia, however, is a model of how one can live with nationalities even in this Balkan region and use political means to seek possibilities for living together.

[Gacesa] The new Albanian president, Dr. Sali Berisha, is also engaging in tactics over the recognition of the Republic of Macedonia.

[Gligorov] We have established good friendly relations with Macedonia, and we are developing economic ties; that state thinks that it is completely natural and legal that a people should choose its own name and the name of its state. Under pressure, however, from what I would say were the most extreme parts of the Albanian parties, they did not take the last step and recognize our state, even though we have signed several intergovernmental agreements. When I paid an official visit to Tirane, they arranged the kind of reception for me that is arranged for the president of an independent state. Albanian deputies are now partners in our coalition government, which means that they are responsible for the fate of Macedonia, just like other deputies.

[Gacesa] The last issue of TIME mentions an alleged secret Serbian-Greek agreement on partitioning Macedonia again. Is that the reason why Panic has not yet recognized your state?

[Gligorov] Even at Ohrid, he said that he was prepared to recognize it immediately, but I proposed myself that we should not hurry; the important thing is that the readiness for it exists. Then he went to Greece, and changed his position, probably under the influence of his Greek interlocutors. I do not believe that he negotiated secretly about a partition of Macedonia. Mitsotakis said on one occasion that Milosevic had proposed it to him, but he rejected it and informed the EC about everything. The Serbian-Greek axis cannot have any other purpose except pressure upon Macedonia. But Macedonia is already a sovereign and independent state, and consequently these are illusions.

[Gacesa] Bulgaria was the first to recognize the Republic of Macedonia. Now it has also recognized the first Macedonian organization on its territory.

[Gligorov] Yes, that demonstrates an important step in acknowledging the reality in Macedonia. At first the Bulgarians claimed that they were prepared to recognize Macedonia as a state, but not the Macedonian people as well. During my visit to Bulgaria and in a talk with President Zhelev, we determined that every person has the right to choose his own nationality, and say which people he belongs to. Then they no longer repeated the comments that they did not recognize the Macedonian people.

[Gacesa] Bulgaria, along with Turkey, helped supply you with oil, and opened the so-called horizontal highway link.

[Gligorov] Yes, but that, of course, cannot compensate for the north-south direction, which has existed for centuries. Now we want to eliminate all the obstacles that in the past prevented the emergence of the alternate route that was opened during the blockade.

[Gacesa] Does the EC's latest decision on cooperation with your state under the name of the Former Yugoslav Republic of Macedonia nullify the Lisbon declaration,

according to which Macedonia would not be recognized if it kept the word Macedonia in its name?

[Gligorov] Neither the Lisbon declaration nor the new formula that they are offering solves the problem. We cannot allow reopening the question of whether we are Serbs or Bulgarians, since there would be another Balkan conflict that would spread further. We are likewise not a former Yugoslav republic, but rather an independent and sovereign state that controls its own territory, has democratic rule, and has already been recognized by about 10 states. I have already asked in a certain conversation why they are saying "former" Yugoslavia and not "the late" Yugoslavia; what I mean to say is that it is all nonsense; it does not have anything to do with life or the fate of any people.

[Gacesa] Ljubljana thinks that relations between the two states are at a high political level. The proof of this is the opening of a Slovene diplomatic-consular representation in Skopje, with a temporary head at the charge d'affaires level.

[Gligorov] Relations of mutual understanding and mutual assistance really do exist between Slovenia and Macedonia. To date, without consulting in advance, we have presented similar positions on the issues that were on the agenda at the Hague and London conferences. It is therefore logical that a representation was opened in Skopje, and we will also open one in Ljubljana. The Koper-Durres shipping line is helping us to have goods travel in both directions. Although that route is not exactly the best, it at least gives us the opportunity to renew economic ties anyway.

[Gacesa] Not only the leading and strongest party, VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party of Macedonian National Unity], but also others are criticizing you for a "cult of personality" and a "coup d'etat," for imposing a presidential system, and for simultaneously appointing, without the knowledge of parliament, Dr. Vasil Tupurkovski as your personal emissary to the United States and Canada, and Ljubica Acevska as the Macedonian representative in the United States.

[Gligorov] We do not have a presidential system in Macedonia, since as president I do not have the power to dismiss parliament and form a government myself. Except in a state of war, the Defense Ministry is responsible to the government. I participate in the London and Brussels conferences in the same way as other heads of state. I named Tupurkovski (he returned two months ago) and Acevska as special envoys, which is within my power. There is no dominating party in the parliament to which I would belong, so that one could say that I introduced a personality cult. All that is said about me by the opposition only confirms that there is no cult of personality. I have already said in the parliament that I am prepared to accept new elections immediately.

NCO Organization in Macedonian Military

93BA0100B Skopje VECER in Macedonian 2 Oct 92
p 6

[Article by B.D.K.: "Dissatisfaction With the Status"]

[Text] Yesterday the Presidency of the Organization of Noncommissioned Officers of the Republic of Macedonia expressed its concern about and dissatisfaction with the status of Army NCO's, based on Ministry of National Defense documents. Most extensively discussed at the meeting was the question of cooperation between that nonpolitical organization, the Ministry of National Defense, and the General Staff of the Macedonian Armed Forces.

It was stressed that the reorganization of the OVSRM [Organization of Macedonian NCO's], which was started last year, is scheduled to be completed by the end of the year. In accordance with the new political system, it is expected that the status of the organization and membership in the new defense system of the Republic of Macedonia be reviewed. It was decided that the problem of financing be resolved on a systematic basis.

Informal Cooperation of Macedonian, Serb Police

93BA0100A Skopje NOVA MAKEDONIJA
in Macedonian 15 Oct 92 p 5

[Article by Z.G.: "Unofficial but Nonetheless Functioning"]

[Text] *The "Galic" case and the request for extradition will be decided by the Serbian prosecution.*

Is it because of the overall situation in which our republic finds itself, which could be summed up with the single word "blockade," or the criminal's plan that the work of our police has been blocked? The first thing that comes to mind in this case is cooperation with the police of neighboring countries, particularly the Serbian. A direct reason for such views is the latest case, of the escape to Serbian territory of Vojkan Galic, who is criminally indicted for alleged attempt to commit murder. As we already mentioned, Galic was captured in Kraguevac during a robbery attempt, and yesterday we found out that he was trying to steal weapons. Galic will be held by the Serbian internal affairs authorities and will be tried. We discussed these and many other cases and their development, in regard to cooperating with the Serbian police, with Bogdan Gogov, assistant minister of internal affairs for information.

"So far, cooperation between our ministries has been unhindered. In the newly organized border crossings, contacts between Macedonian and Serbian officials have been regularly maintained. I can cite to you many cases in which information has been exchanged reciprocally, or Macedonian and Serb citizens exchanged. We cooperate particularly well in major cases, such as black marketing in drugs, weapons, and so forth. In the final account, this benefits both sides. However, for the time

being, this is not official because no official contacts have been established between the Macedonian and the Yugoslav Governments on this level, something on which we keep insisting. The organization of such cooperation will certainly also mean much greater efficiency in blocking the criminal element. Practical experience in international affairs in that area indicates that, in all cases, the country on whose territory a criminal or an individual in which the other country is interested has been detained is the one to determine whether to extradite him, unless there is a bilateral treaty to that effect. In the 'Galic' case, both because of this fact and also because of unorganized official contacts, all we can do is wait for the decision of the Serbian prosecution authorities concerning our request for his extradition," Gogov said.

Montenegro DPS Leader on Relations With SPS

93BA0136B Belgrade NIN in Serbo-Croatian 23 Oct 92
pp 20-21

[Interview with Svetozar Marovic, general secretary of the Democratic Party of Socialists, DPS, by Bogdan Ivanisevic; place and date not given: "Yugoslavia—Yes, but..."]

[Text] [Ivanisevic] You recently made a statement that you expect to learn more precisely what the real relations are between the SPS [Socialist Party of Serbia] and your party.

[Marovic] On the basis of experience in the federal parliament, it seems to me increasingly noticeable that differences exist between the two governing parties in the way they resolve public issues and conduct public affairs. The position of the SPS seems to us "open" in a dual sense: on the one hand, because of the fairly ambivalent attitude of a segment of the SPS toward right-wing political orientations, and on the other because of the tendency to "speed up events," that is, to make unilateral moves that have not been fully thought out. So, we have yet to establish more precisely the mutual relations, which, of course, does not mean maintaining the relations of a coalition at any price. After all, coalitions make sense only so long as agreement is reached on certain key issues.

[Ivanisevic] How important to the Montenegrin Government is the fact that the opposition, the dominant segment of it, is also supporting Cosic and Panic?

[Marovic] This encourages us to a considerable extent. A majority of the citizens and parties in Montenegro support the democratic and rational approach to getting out of the situation in which the country finds itself—the approach that insists on Yugoslavia as a civil democratic state. I believe that our prospect for the future is for that kind of political energy to really show its domination even in the Republic of Serbia, because the stability of the FRY [Federal Republic of Yugoslavia] can only be based on that.

[Ivanisevic] There is not enough of that political energy in Serbia at this point?

[Marovic] It must stabilize, if I might put it that way. Now there is ferment and trials. I believe that a majority of the citizens of Serbia also want a modern democratic Yugoslavia in which Serbia and Montenegro are equal units brought together in a federation. But parallel to that conception, rather strongly in Serbia—and to some extent in Montenegro, as well—there is the conception of ethnic and ideological states, which would guarantee the supremacy of the ethnic collectivity and which is oriented toward the state of the national dream, not a state representing reality and relations between citizens.

[Ivanisevic] What is your comment on the argument of one federal deputy that Prime Minister Panic intends to rule Serbia through Montenegro?

[Marovic] That argument, which came from Mr. Crncevic, is a part of the doctrine of a de facto sovereign Serbia, the doctrine which perceives Yugoslavia as an extended and enlarged Serbia. I see no other explanation, because in the actual behavior of Montenegro there is not a single reason for that kind of intolerant assertion. You know, I would associate that statement with what the Serbian Prime Minister Radoman Bozovic said, namely that for Serbia the existence of the federal government is a greater loss than the sanctions imposed. I would hope that this is only a tactical move that arises from a desire to change a particular government. I am afraid, however, that underlying such statements there is that doctrinaire and ideological reason which sooner or later will bring the discussion back to the same topic and with the same conclusion.

[Ivanisevic] It seems that federations consisting of two federal units, especially as unequal as these, have an inherent danger of one side feeling shortchanged compared to the other one.

[Marovic] You are right. Federal communities consisting of two members are very rare, and they have not displayed any very long endurance. This is evident that relations in a federal community of this type should be built with additional care, and that requires the basic principle of federalism—the existence of divided sovereignty. We think that Yugoslavia is a reality and that it has a future; but not just any Yugoslavia, but a Yugoslavia which will be a country of peace, reason, democracy, and equality of the citizens and republics....

Conflict Among Montenegro Party Leaders

93BA0136A Belgrade NIN in Serbo-Croatian 23 Oct 92
pp 20-21

[Article by Bogdan Ivanisevic: "Disloyal Eyes"]

[Text] A first meeting with Podgorica can easily be deceiving: A traveler who flew into Montenegro's principal city (not the capital—under the constitution just adopted, that is Cetinje) at the beginning of this week

had to skip over puddles in the airport terminal because the roof leaks and then wait for the tractor to bring up the luggage. In the city itself, however, the scene at least does not seem worse than Belgrade. The city buses are full, but not packed like sardines, as those of the Belgrade transportation department. But the milk sells out in the early morning hours—just as in Belgrade.

Still, some differences do catch the eye. The names of shops and firms in Podgorica are written in the Latin alphabet, except those whose main offices are located in the capital of Serbia. And the graffiti here has "strange" messages—"Montenegrins are not eating their own roots," "Resistance, you cattle!" "Montenegro is for peace." All of this written in green paint.

Unusual? Not altogether, when we bear in mind that the leading Montenegrin politicians in the federal parliament have in recent months been coming into conflict more and more frequently with the coalition partners from the SPS [Socialist Party of Serbia] and warning that their republic's participation in the joint state is not unconditional. When we add to this that a few days ago the ("Serb") People's Party of Montenegro felt it necessary to launch the slogan "With Serbia Always, UNDER SERBIA NEVER," then it is clear that something serious is happening to the "other eye in the head."

There began to be friction in relations between the leaderships of the two republics a year ago, when Montenegro accepted in principle the notorious Hague document. Recently, POBJEDA of Podgorica made reference to a statement by Momir Bulatovic made in a closed meeting that he and Milosevic agreed before going to The Hague to grant consent to that document, but in The Hague the president of Serbia backed out.

The Unreliable SPS

"Backing out of agreements," along with "making sudden unannounced moves," is the principal characteristic in the activity of the SPS that the leaders from Montenegro emphasize as the reason for their dissatisfaction. This was most evident in the failure to elect Svetozar Marovic president of the FRY [Federal Republic of Yugoslavia]. (Borisav Jovic in the Assembly: "Lest there be confusion, we had no agreement with the leadership of Montenegro, nor did the SPS with the DPS [Democratic Party of Socialists], even concerning the initiative to vote no confidence in Milan Panic." Zarija Martinovic: "The DPS also concurred in the views of the SPS." Svetozar Marovic: "The DPS did not concur.")

The unpredictable behavior of the partner in the coalition, even concerning such major issues as election of the president and removal of the prime minister of the joint state, nevertheless would not be a sufficient reason for the verbal warfare which representatives of the governing parties have been waging in the parliament and through the press. It will be hard for the observer to find the real reasons in the statements by Momir Bulatovic, Svetozar Marovic, and Milo Djukanovic. Their verbal

juggling, which they are obviously enjoying, always leaves the possibility open for differing interpretations.

"The DPS always tries to pick the side it expects to be the winner in political conflicts," says Srdjan Darnanovic, president of the Socialist Party of Montenegro. "The party's leadership estimated that this time it would be Cosic and Panic, and it wants to preserve its own authority by means of the dispute with Milosevic. Another reason for the disagreement with the SPS might be that the DPS, unlike the SPS, is nevertheless not an extremely nationalistic party. Nor do I exclude the possibility that they have realized in the top leadership of the DPS that continuation of the policy we have had up to now would signify ruin for Montenegro."

It is no accident that the change of direction which the pragmatic leaders of the DPS have made relative to the SPS coincides with a shift in the mood of the political public in Montenegro. There is no systematic study of public opinion in this republic, but it is easy to see the growing popularity of the Liberal Alliance, which is headed by Slavko Perovic, long ago anathematized in Serbia as an Ustasha. Until quite recently he was treated similarly in Montenegro as well, but now both the media and political opponents pick their words in speaking about him and his party as serious participants on the Montenegrin political scene. Nor is it any wonder: The 15,000 members of this party in little Montenegro represent a number worthy of respect. Their gatherings are attended by thousands of people (in "white" Niksic, the auditorium of the 18 September Movie Theater was too small to accommodate all those interested), and according to a survey of the weekly MONITOR only the DPS is more popular in Podgorica than the Liberal Alliance. Among people under 30, the Liberal Alliance and other so-called Montenegrin parties (the Socialist Party, the Social Democratic Party of Reformers, and the parties of the minorities...) are altogether on a par with the DPS, the People's Party, and the parties in the so-called Serbian bloc (the SRS [Serbian Radical Party], the SNO [Serbian National Renewal]...).

These changes are interpreted in Podgorica above all as a consequence of what has been happening in the federal parliament. There has not been much response to the aggressiveness of the informal SPS-SRS coalition in Montenegro.

Elections and Secession

"The leaders of the DPS are doing everything to heat up dissatisfaction in Montenegro concerning the obstinacy of the administration in Serbia, and they equate that administration with Serbia as a state," says Dragan Soc, a member of the Main Committee of the People's Party. "We have inherited from the communist period the psychology of equating republics with their administrations, and the identification of Serbia with the Milosevic government and of Montenegro with the government of the DPS is pronounced. The DPS will not hold back, if it judges it to be in the interest of holding power, to

renounce the alliance with Serbia by renouncing the alliance with the SPS at a certain moment, with the justification that it is protecting Montenegro."

From people who privately talk about the Montenegrin leaders one can now hear that "Milo and Momir" wanted an independent Montenegro even earlier, but the (c)overt threats of Serbia and the army prevented them from actually trying anything in that direction. This has now changed in that the top leadership of the army (Zivota Panic) is expressing full loyalty to Cosic and Panic, while they, it is assumed, would not try by force to prevent implementation of a referendum decision whereby the population of Montenegro might possibly opt for a sovereign Montenegro. To be sure, the "Montenegrin" segment of the opposition reproached the incumbent party for not having incorporated in the new Constitution a provision on the right to self-determination, but in the interview he gave to NIN Svetozar Marovic explains that the right to self-determination is a right recognized "as a natural right, then by international conventions, and third, by our Constitution as well; just as they decided to be in the FRY, the citizens also had the right to decide differently."

It is not clear to anyone as yet whether the incumbent party will really "activate" that natural and constitutional right. Srdjan Darmanovic believes that the fate of the joint state depends on the results of the upcoming election. If Milosevic wins, then it would be natural to expect a high degree of political consensus for secession of Montenegro, and the DPS would opt for that alternative, because this is not a party that is so frivolous that it would not see its only alternative—continuation of international isolation, probably perpetuation of the war in B-H [Bosnia-Herzegovina] and Croatia, and, as if that was not enough, provocation of a conflict in Kosovo as well, where once again the Montenegrins would be the praetorian Guard, just as was the case at Dubrovnik.

Bora Is (Not) the SPS

Dragan Soc has a somewhat different opinion. If the DPS continues to stick to its pragmatic policies, Soc believes, it will not close the door to a coalition with the SPS. Then the present "disagreements" will be personally associated with individuals, who at a particular moment might be sacrificed on both sides, and then the alliance would be renewed between the two parties.

This personal association is already evident, and the "victim" is Borisav Jovic, president of the SPS. Back in mid-September, a columnist in POBJEDA concluded that "Bora Jovic really (...) can only create resistance toward that party (the SPS)." Milo Djukanovic referred to Jovic's charges against Momir Bulatovic concerning Prevlaka as "the most commonplace petty politics and an imputation to the Montenegrin Government." The other day in the Montenegrin Assembly Bulatovic frightened the deputies and the public with Jovic and Seselj as

bogeymen who in the case of Panic's and Cosic's departure would come to the head of the joint state.

As some people see it, the Montenegrin leadership is actually strengthening the federal state by its present policy because it is supporting the Federal Government. They support this argument with the fact that by calling a republic election the Government in Montenegro is "forcing" the Serbian Assembly to do the same, thereby once again fulfilling one of the priority goals of the Cosic-Panic tandem: elections at all levels by the end of the year. If anyone is breaking up the federal state, then, according to this view, it is Serbia, whose government in its arrogance is driving away even those who until yesterday were loyal allies. Incidentally, it was TV Belgrade that first ceased to take the news program from Podgorica, and only afterward did TV Montenegro decide not to broadcast the afternoon news program from the Novi Sad studio.

"If the DPS is really supporting the Federal Government," Dragan Soc says, "why did it not immediately make it clear to the SPS that it would not give even one of its 20 votes in the Chamber of Republics to bring down the Federal Government? The Government in Montenegro has done nothing even to deny any of the powers inherited from the 1974 Constitution and turn them over to the Federal Government. So, the Montenegrin Government is not making efforts to reinforce the joint state of Serbia and Montenegro, but is leaving it to its fate, so that in the end it might say: 'You see, there was nothing that could be done here.'" A resolution of these dilemmas by the proverbially cautious Montenegrin leaders should not be expected any time soon—at least not before the election is over in the republics and the federation.

Vojvodina Hungarian Leader's Letter to Panic

93BA0170B Novi Sad MAGYAR SZO in Hungarian
27 Oct 92 p 7

[Text of undated letter from Andras Agoston, president of the Democratic Union of Vojvodina Hungarians, to Milan Panic, prime minister of the Federal Republic of Yugoslavia: "Call for Dialogue"]

[Text] Andras Agoston, president of the VMDK [Democratic Union of Vojvodina Hungarians], has written a letter to Milan Panic, the head of the Federal Government, conveying the following:

"I am enclosing a few copies of the concept paper on the autonomy of Vojvodina Hungarians, supported by the VMDK. I recommend that you propose the initiation of dialogue between representatives of the Federal Government and the VMDK concerning the unresolved situation of the Hungarian minority group, pursuant to the agreement reached in London by Mr. Tibor Varady, a cabinet member of the Yugoslav Federal Republic, your delegate, and myself, in the presence of Mr. Gert Arens, the chairman of the minority committee established by the London Conference.

"I am calling your attention to the fact that on 17 September, in response to an invitation by Mr. Gert Arens, I traveled to Geneva to initiate dialogue with authorized representatives of the Yugoslav or the Serb Government in regard to the above-mentioned subject, with or without the presence of representatives of the London Conference. The authorized representatives of the Yugoslav or the Serb Government did not show up for the conversation on that day, however.

"Meanwhile, upon your government's initiative, a number of actions were taken which suggest that you do accept the multinational reality of the Yugoslav Federal Republic. In this regard I have in mind primarily the establishment of a ministry for human rights and for national minority affairs. I have high regard for these efforts of the government; nevertheless, I believe that in due regard to a mechanism catalyzed by the London Conference, to provide an institutional setting to resolve the situation of the Hungarian national minority in Yugoslavia, these actions of the government must not serve as substitutes for official dialogue between representatives of the Federal Government and the VMDK, irrespective of whether such future dialogue takes place in the presence of representatives of the London Conference.

"Mr. President! The VMDK and I, personally, believe that you and your government's political activities are based on an appropriate assessment of reality and of the international situation—things that must, by all means, be kept in mind in the struggle for discontinuing the sanctions and in order to achieve recognition of the Yugoslav Federal Republic. I am firmly convinced that the political direction taken by your government brings all of us closer to settling the situation, and to conditions under which we can join as equals the ongoing European and global processes.

"I am convinced that you agree that conducting civilized political discourse with the legitimate representatives of a minority group is in our common interest. This dialogue will bring us a step closer to our common goal, and, in essence, will enrich your, and your government's, activities."

Vojvodina Hungarians Charge Deprivation of Rights

93BA0171A Novi Sad MAGYAR SZO in Hungarian
29 Oct 92 pp 1, 5

[Article by Zoltan Simonyi: "The Rights of Vojvodina Hungarians Are Increasingly Being Trampled On!"]

[Excerpts] *All signs indicate that the framers of the proposal concerning the appointment of judges and prosecutors do not trust Hungarians, and, therefore, not a single Hungarian judge was nominated to become the chairman of a district or municipal court in the Vojvodina; only one municipal prosecutor will be Hungarian. They want the Serbian House of Representatives to adopt a resolution on the basis of which the ratio of Hungarian*

nationality judges and deputy prosecutors would be negligible as compared to the number of Hungarians.

In recent days Serbian authorities have strongly increased their pursuit of totally depriving the Vojvodina Hungarian minority of its rights: while in the northern part of the Vojvodina (in Zenta [Senta], Csoka [Coka], Jazova [Jazovo], and who knows where else) they once again began forcefully dragging Hungarians to form military units, and while in the election law package voting districts were drawn so as to tear into two parts Hungarians living as a unified group of people (also aiming for a much more modest representation in parliament than their numerical ratio in the area would justify), they also submitted a proposal to the Serbian House of Representatives that would continue trampling on the rights of Vojvodina Hungarians! At issue is the legislative proposal on the appointment of judges and prosecutors; in it the number of Hungarian nationality judges and deputy prosecutors to be nominated is far smaller than the ratio of Vojvodina Hungarians within the total population, and, in addition, they do not intend to appoint a single person of the Hungarian nationality as a chairman of a district court or municipal court. A Hungarian nationality prosecutor is being nominated in only one municipality, whereas it is well known that eight municipalities in the Vojvodina have villages in which a majority of the population is Hungarian!

The just complaint registered by VMDK [Democratic Union of Vojvodina Hungarians] representatives that points out this great injustice was cynically rejected by Serbian Minister of Injustice Zoran Cetkovic, claiming that they were not even aware of the nationalities of the various individuals when they drafted the legislative proposal, and that in nominating candidates only their previous work performance and moral fitness served as decisive factors. That statement was fully denied by Serbian nationality opposition representatives who pointed out the socialist goal to place judges under their influence of power even before the elections, at a time when judges are independent throughout the world.

On behalf of the parliamentary Committee on the Judiciary that drafted the proposal, Committee Chairman Bogdan Trifunovic provided a lengthy justification of the proposal; thereafter Minister Cetkovic and Prosecutor of the Republic Milomir Jakovljevic pounded their chests explaining the outstanding merits of the proposal submitted to the parliament. But the opposition pointed out that the socialists holding power could talk about outstanding work only insofar as that work served their own purposes, because in selecting judges and prosecutors to be appointed for life they submitted an unprecedented and scandalous proposal to parliament, the purpose of which was to place judicial bodies under their own influence for an extended period of time.

Slobodan Vuckovic (Democratic Party) stressed that even at the opera, the beauty of the building is not important; of importance is the person performing the song. Accordingly, relative to the court, the persons who

serve as judges are of the essence. Vuckovic explained that the legislative committee simply lacks legitimacy to recommend this composition of judges to hold offices for life, because 11 socialist representatives in the committee simply voted down the four opposition representatives at a time when the socialists are likely to be compelled to surrender power two months hence. In Vuckovic's view, since the decision triggers consequences that last far longer than the mandate of parliament, the proposal should be drafted by a body composed of persons proportionately representing the various parties, but that body should also include the most prominent representatives of the profession—persons designated by the Supreme Court to make comments. In Vuckovic's view another grave mistake is being made when parliament wants to decide who should become the chairmen of individual courts of law; the authority to make the decision should be vested in members of the various judicial collectives, and even more so, it should be made impossible, from the outset, for popular representatives to offer amendments. Vuckovic presented a host of examples to prove the great pressure exerted by local authorities in the course of preparing the list, and to demonstrate that the Ministry of Justice has fully abused the law that provides for the legislative committee to advance the proposal, and for the minister to comment on the nominees. The reverse situation has occurred in this instance: The minister presented an accomplished fact to the committee, because he had determined from the outset who could be nominated, and then he went on to nominate to every court the exact number of persons needed to fill the vacant judgeships. [passage omitted]

[Box, p 5]

The Minister Told a Lie!

Serbian Minister of Justice Zoran Cetkovic tried to deny statements by VMDK representatives to the effect that not a single person of Hungarian nationality had been nominated as chairman of a court, and said that based on the proposal a Hungarian woman would chair the court at Torokbecse [Novi Becej].

In a statement to MAGYAR SZO, Dr. Sandor Pall denied this assertion by claiming that only the husband of the lady nominated to chair the Torokbecse court is Hungarian!

Vojvodina Hungarian Daily on Economic Problems

Black-Market Activities

93BA0173A Novi Sad MAGYAR SZO in Hungarian
20 Oct 92 p 6

[Article by "m.": "Wandering Misery; One No Longer Needs To Go to the Market at the City's Edge; The Merchants Are Moving In"]

[Text] By having only a pittance we must live through some miserable days, but a man would not be a man if he were not able to make the most of the situation, virtually within minutes. It so happened that a sparser bus schedule and cancelled bus routes in Ujvidek [Novi Sad] the other day did not paralyze the black market. Misery has moved into the city from the provincial seat's largest junk market. The merchandise must be brought to the city if the customer is unable to go to the nylon market.

A year or two ago it would have been inconceivable to witness the conversion of an avenue into a junk market. That has been accomplished today, over the weekend. Merchants are swarming on the long, broad sidewalk in front of the Dnevnik publishing house, and whoever takes a bike ride to the above-mentioned market at the periphery can see for himself that only a few enduring car merchants and a few smugglers who live nearby show their merchandise.

Russians and Romanians also appear. The Russians sell things cheaper. They sell soap, canned food and hand tools. Each piece of soap costs only 80-100 dinars. It smells good, it has a nice color, and it is ridiculously cheap compared to local store prices. Romanian soap is somewhat more expensive, it costs 150-200 dinars. It might not even be Romanian because the boxes are printed in English and French; many claim that the Romanians are transporting the soap from Greece.

Not even a police dog could find rubber cement anywhere in this country. For several days now the market has been saturated with a rubber cement solution manufactured by Taurus of Hungary; it is being offered for 500 dinars. Over there it costs 12 forints, at least. But one would have to go there to buy it. As seasons change, so does the choice of products on the smuggler's menu: antifreeze has appeared on the market. One liter of a Hungarian-made condensed antifreeze under the trade name "Prevent Auto-Glycol" costs 3,000 dinars. It must be dissolved in three liters of distilled water. That is truly cheap, even a liter of dissolved antifreeze costs more here. It is not true that a year's worth of toilet paper production by the Labatlan paper mill does not find its customers here. An incredible amount of toilet paper and paper tissue appears daily at the Futaki Street market. There also is enough Omnia coffee mixture as well as Trappist cheese to dam the Danube. But there is no shortage of ideas either.

A young man placed an upside-down electrical iron on a structure made of pieces of pipe welded together, then placed on top a fastener sheet with screw threads, and sold the improvised tire repair, vulcanizer "machine" for 100 German marks [DM]. Ingenious, I have to admit, and with these few lines I destroyed his business.... They also sell gasoline tanks. With little skill one can add it to the original tank, but those who sell the rusty, warped containers are willing to readily explain everything. Allegedly one cannot buy any kind of gasoline tank for any car in the stores, it is in short supply ever since the prohibition to carry fuel tanks across the border.

A Golf model car stopped in front of the Futaki Street market around noon, yesterday. Two young men, about 20 years old, dressed in colorful warm-up suits and American made golf caps with sun shields on their heads got out of the car. They had identical crutches under their arm pits, both had their left legs missing from the knee down. Two good-looking boys; there is no more dancing and disco for them. The crutches stretched their bodies even more, this is how one could tell how tall they were. They sat down on the railing at the market, shook hands with the foreign exchange smugglers, one of the smugglers gave them directions, then rolled up to the knee the unfolding leg of the warm-up suit [as published].

Crop Sowing Disrupted

93BA0173B Novi Sad MAGYAR SZO in Hungarian
20 Oct 92 p 7

[Article by M. Erzsebet Juhasz: "Stalled Sowing Machines"]

[Text] Diesel fuel continues to be available only from "reliable" people at the black market; payment can be made in the form of grain: they are asking 12 kilos of grain for a liter of fuel; small amounts of money are being paid for sunflower seed.

Never before has there been so much trouble in agriculture as nowadays: In a large part of the Vojvodina the wheat sowing machines are still because there is no fuel, and because of that not even the fall harvest can be completed; payments for agricultural produce already delivered are also delayed....

"We stopped sowing today, even though we sowed wheat only on one-third of the land area set aside for that purpose. But we can't do otherwise as long as we have no more diesel fuel," according to Laszlo Apro, the director of the Kishegyes [Mali Idos] agricultural estate, yesterday. "We have an awful lot of fuel coupons. We still have the coupons from July and August, but we cannot use them at all. We obtain fuel as a result of arrangements made by an enterprise in Verbasz [Vrbas], we pay with grain for diesel fuel. Initially we had to provide six kilos of grain for a liter of diesel fuel; later on they asked for eight kilos, and now we must give them 12 kilos of grain. Just how much grain they will ask now that crude oil derivatives have become more expensive, cannot be told. They claim that diesel fuel is in short supply, at the same time, however, private firms have huge supplies of diesel fuel. So far they have asked DM1-1.50 for diesel fuel, but they have not revealed their new prices. But our problems are not confined to sowing, we also have problems harvesting the grain. Two thirds of the grain still stands, we do not know how we are going to be able to garner it."

Problems are not limited to fuel oil supply, payment for agricultural products is also wrought with trouble. That is part of the reason the peasants announced a road blockade for tomorrow.

"Here in Kishegyes we paid to the peasants 10 million dinars for the sunflower today, the amount that had been transferred to us by the processing industry. We received the same amount last week, but the agricultural workers would be entitled to 80-100 million dinars for the sunflower. We cannot tell when they are going to receive the full amount."

The people from Szenttamás [Srbobran] have similar problems.

"Only those people can sow who are able to pay DM2 for diesel fuel at the black market. But how could agricultural workers afford to pay that amount when they still have not received their money for the produce they delivered. Just a while ago a producer came to the cooperative; he delivered his grain a month ago to the Csenej hog farm and to the Verbasz combine. He should have received his money prior to 25 September according to the agreement, but the money cannot be found," according to Nestor Belic, director of the Szenttamás cooperative.

What do officials have to say about the diesel fuel situation?

"Nothing. They tell us to be imaginative. One of the directors of the Ujvidek Naftagas gave us his personal advice: We should find reliable people at the black market when looking for diesel fuel. I write the word 'reliable' on my calendar so as not to forget paying attention to it. The only problem I have by now is that I do not know who the reliable people are at the black market. The director said that he would give me one or two names if I could not find any.... Well, that's how things are. On the other hand, no one talks about the still undelivered fuel already paid for by the peasants in the summer...."

Schools' Fuel Shortage

93BA0173D Novi Sad MAGYAR SZO in Hungarian
20 Oct 92 p 11

[Article by A. H.: "The Municipality Advises Thrift"]

[Excerpt] There is no heating oil; the children and teachers shiver; The Mihaly Szervo Elementary School of Muzslya has reserves for one week, according to principal Zoltan Hallai.

Teaching and education work is taking place at two buildings, rather far from each other, at the Mihaly Szervo Elementary School of Muzslya. There are 17 classes in the so-called central building, while in the other building, on Mihaly Szervo Street there are 24 classes. Students number 1,060. The events taking place in the country did not spare Muzslya, and that is best reflected in the number of students whose native language is Hungarian. Some 200 family homes are up for sale. Principal Zoltan Hallai has no data in that regard, but he knows that about 30 families, 50 pupils altogether

have left the school. Many of them moved, and for the first time there are more students in the Serb classes than in the Hungarian classes.

That was not our topic of interest at this time, however, instead, in due regard to the approaching winter season, we wanted to find out how the heating problem had been resolved in the two buildings—45 classrooms altogether.

[Hallai] We experienced great heating problems last year, but this year school principals have virtually no time left for anything but to try to resolve the heating problem. Last year the school was shut down for 10 days because we were unable to obtain heating oil; in addition we cut short the classroom hours and did not organize any free activities. We did so at least during the winter season. The local cooperative came to our help and so we managed to survive the winter, but we were unable to fully deliver on the teaching plan and program.

[MAGYAR SZO] What can be expected this year, does anyone guarantee that schools are not going to remain without fuel?

[Hallai] All I can say for now is that the village has promulgated a decree for the schools to consume 30 percent less energy this year than last year. We took action on this basis, but this could hardly satisfy the expectations. We organized our work so that henceforth the higher grades will come to school half an hour earlier and only in the morning, while those in the lower grades will come in one hour earlier and only in the afternoon. [passage omitted]

[Novi Sad MAGYAR SZO in Hungarian on 17 October 92 on page 9 in an unattributed article entitled "Sparsen Bus Schedule in Northern Bacska" reports that "The Subotica-Trans Passenger Transportation Enterprise of Szabadka [Subotica] has cancelled runs on several northern Bacska bus routes because of the fuel shortage."]

Hungry School Children

93BA0173E Novi Sad MAGYAR SZO in Hungarian
18 Oct 92 p 9

[Article by Peter Pertics: "The Children (Too) Go Hungry"]

[Excerpt] The poor are ashamed of their poverty even though they are not the ones to feel ashamed; Local Community No. 3 of Zenta [Senta] is planning to open a soup kitchen.

About 8,000 citizens linger around at the outskirts of Zenta, in Local Community No. 3. That is the most populous district of the municipality, it could also be regarded as an independent, average settlement. For example, the number of people in Horgos [Horgos] or in Peterrev [Backo Petrovo Selo] is not larger than here.

"That is true, but one also has to know that the largest number of problems arise here. We have the largest

number of unemployed, small pensioners, peasants struggling with one to two acres of arable land beyond the railroad tracks, most factory workers who have fallen into the abyss live there, etc. Without an exception, they are social welfare cases," Gyorgy Jung, the secretary of the local community, said. "After receiving aid things are not as simple as some who observe the problems from the outside would think. That is so in part because with the passing of each day less and less money is available for the purpose, and in part because these people tolerate their fate in an extremely disciplined manner. I can say on the basis of several years of experience that the poor people are ashamed of their poverty, even though they should not be ashamed of the adverse political and economic situation that threw them on the path of hopelessness.

"Despite this situation, we are trying to relieve their concerns, at least to an extent that the most unfortunate people survive these difficult days. We are planning to open a soup kitchen in the near future in the community. By doing so we want people to obtain some modest nourishment at least once a day. It will not be easy, but we must try by all means," we heard the secretary of the local community say.

One's Heart Breaks

We saw just how sad the lives of the families were at the city district school. The Lajos Thurzo Elementary School is one of the oldest schools in Zenta: it was built in 1913. The fact that it is not some luxurious facility becomes obvious to a stranger who happens to be there, as soon as he takes a look at the building.

"No, it is not. Even the outside was painted white when it was completed in the days of Franz Joseph. It has not been painted since. Later on they added new wings to the original building, but no mortar was put on the outside walls. The windows stay in place because we nailed them in," school principal Mihaly Buday lists the depressing facts.

"We have 650 students here, but only a very few could be regarded as having been brought up under proper circumstances. Most of them are children of poor people. Many of them go hungry in the literal sense of that term, they arrive at school with empty stomachs hoping to receive a warm soup in addition to knowledge. The most terrible thing, however, is the fact that there is not even enough warm soup.

"A snack costs 100 dinars at the school, while lunch can be purchased for 350 dinars. Children whose parents receive a family supplement are given a 70-percent discount, but many of them are unable to pay even the 30 dinars needed.

"Our hearts break at snack time: The poor children stand in line and wait to see whom we are calling by name, who is going to receive food. To many of them it means, or would mean, their daily meal. Last month 65 of them received a discount on their snack or lunch, by now there

are only 31 of them, because the officials tightened the criteria," the principal explained.

Three Bowls of Soup in One Gulp

"The children are so starved that some of them eat three bowls of soup with bread at a time. They can have the soup because we do not apportion it. Not even by accident is there any bread left behind in the dining room: The children put the bread in their pockets, take it home for their brothers and sisters, or take it out to those who could not have lunch because they did not have the money," school secretary Ilona Levai joins the conversation. [passage omitted]

Vojvodina's Hungarian Daily in 'Grave Situation'

93BA0170A Novi Sad MAGYAR SZO in Hungarian
29 Oct 92 p 1

[Statement issued by the editorial board of MAGYAR SZO: "Before Closing Down MAGYAR SZO; Demands by the Editorial Board"]

[Text] By no fault of its own, the editorial board of MAGYAR SZO finds itself in an extremely grave situation, one it is unable to overcome on its own. Pursuant to a decision reached by the Vojvodina Provincial House of Representatives, which exercises the founder's rights, the editorial board of MAGYAR SZO had become part of Forum Newspaper and Book Publishing Printing Industry Public Enterprise, and thus had had no opportunity to independently manage its business. At the same time the founder has failed to perform its obligation to provide financial support to minority information media. As of recently, the monthly amount of support sufficed for publishing only a single issue of MAGYAR SZO. As a result of failing to receive support, Forum Public Enterprise has been operating with a loss since September 1991, and since January 1992, it has enabled publication of the Vojvodina Hungarian language daily as well as newspapers geared to Hungarian children and youth by using money borrowed from banks. Accordingly, the editorial board of MAGYAR SZO had to manage its affairs under conditions that were forced upon it in order to enable the continuous publication of the newspaper. As a "result" of this the editorial board is presently indebted to the tune of 140 million dinars. Unlike the rest of the newspapers in Serbia, the publication of MAGYAR SZO has been threatened not only by a shortage of paper, but also, and primarily, by a lack of funds. Thus the present shortage of paper is only a consequence of the situation that has prevailed since September 1991, ever since Forum became a losing operation due to the drastically reduced amount of support. We are unable to take out additional loans from the bank having jurisdiction, and MAGYAR SZO should not be published on credit. At this moment Forum has neither money nor raw materials.

For this reason the editorial board of MAGYAR SZO demands the following:

1. Organs of the Serb Republic with available tax funds collected in the Vojvodina should immediately transfer 30 million dinars in the form of special aid for the purchase of paper and printing materials, because no funds are available for the printing of the newspaper.

2. In an expedited proceeding, the founder should enable MAGYAR SZO to manage its own business affairs; the first step in this regard would be the establishment of MAGYAR SZO's own account.

3. The indebtedness that burdens MAGYAR SZO as well as Forum should be assumed by the state, because the debts were incurred due to the founder's failure to perform its financial obligations.

4. Effective immediately, and thereafter, the founder should continuously perform its financial obligation to the minority newspaper.

5. By complying with the above, the founder will contribute to putting the editorial board back on its feet, and to the continuous publication of MAGYAR SZO.

Reasons for Occupation of Federal MUP

93BA0136D Belgrade NIN in Serbo-Croatian 23 Oct 92
p 10

[Article by Uros Komlenovic: "Blue Dawn Rising"]

[Text] Even if at one time there were any optimists who believed that the increasingly serious disagreements between the republic and federal authorities would not go beyond words, there probably are none now. The illusions were dispelled by the detachment of 200 members of the special police of the Serbian Ministry of Internal Affairs [MUP], armed to the teeth (reinforced, it is said by some, by special police from Krajina and Bosnia), who on Sunday evening "liberated" the building of the Federal Ministry of Internal Affairs at No. 2 Knez Milos Street, disarmed their fellow policemen who were there, and blocked all entrances. They also blocked the garage, so that Prime Minister Milan Panic, who returned to Belgrade that very evening from Geneva, had no one to meet him and give him a ride into town. It is said that the resourceful Panic called upon his namesake in the General Staff and thus entered the city with a military escort.

Reconstruction of the entire event is made more difficult by the complete news blockade that followed. A female voice from the switchboard, it could not be determined whether she was a republic or federal employee, persistently replied that there was no one from the federal MUP in the offices. The official communications were late in coming, so that rumors went around Belgrade about alleged armed showdowns between the two MUP's. The appeal of the Serbian Renewal Movement [SPO] to young people and citizens of Belgrade and Serbia "not to contribute by any action to an aggravation of the drama, but to be ready to defend and restore peace in our state," sounded serious. And when the public

learned that traffic had been halted around the Federal Assembly, panic threatened. Relaxation followed when it was learned that the streets in the center of the city were blocked because of the traditional cross-country race to celebrate the date of the city's liberation. Anxiety, however, remained.

By all appearances, the "violent and vigorous" action, which foreign newsmen attribute to the recently removed chief of the federal SDB [State Security Service] Mihalj Kertes, who allegedly was seen entering the "liberated" building, was carried out without casualties. The Serbian Government issues a press release explaining to the nation that this building, by decision of the FEC [Federal Executive Council] this April, is its property and that the federal police were supposed to move out by 15 October of this year. And really, because the deadline had passed, nothing could be more logical or legal than to come to take one's own. At night, with Kalashnikovs!

The Federal Government also reacted, demanding "immediate rescindment of the order to take the building of the Federal Ministry for Internal Affairs and restoration of the entire status quo ante until the property dispute is finally completed in the courts." What is more, it said that the "decision to enter the right of use of the building of the federal MUP on behalf of the Republic of Serbia was issued with legal basis."

The Date for an Appeal

The entire dispute, if one is to believe an anonymous employee of the federal administration, occurred through someone's carelessness. The April decision of the FEC, which even at that time was for all practical purposes disbanded, transferred the complex of buildings of the Security Institute on Banjica from federal to republic hands, but the building at No. 92 Knez Milos was included by mistake. The FEC did not react to the notification from the republic MUP, considering federal ownership of that building indisputable. The incursion of the special republic police has persuaded them otherwise.

That justice, at least in this case, is on the federal side is confirmed by the "competent judicial bodies"—the Second Opstina Court in Belgrade. Bratimir Tocanac, the court's president, says:

"The court has not received any complaint demanding eviction. A decision to make the entry in the records was made a few months ago, but it still is not final, because the period for an appeal has not expired."

Anyway, even if the deadline for an appeal had expired and a decision made on eviction, the proceedings lie in the exclusive jurisdiction of the court. Nor should it be forgotten that the decision transferring the property to the Republic was made in early August and delivered to the Federal Government only a few days ago.

Blue...

The action by Sokolovic's "crowds of soldiers in armor," then, was illegal, and the Federal Solicitor General's Office is preparing to turn the tables and file suit against the republic MUP for hindrance of possession. The entire Serbian opposition has come to the side of the Federal Government, and one of the officials of the Montenegrin MUP (wishing to remain anonymous) reacted with restraint and moderation, but the message is clear:

"I would like to believe that a property dispute was really involved, although I do not have enough information. Cooperation between the federal and Montenegrin police has been exemplary, and up to now we have had no disagreements at all. It is lamentable, however, that problems should be solved like this."

Although even Momir Bulatovic reacted, condemning such methods, the Serbian Republic Government seems not to have paid much attention to the protests. It obtained its property (if it really is), and power does not pray to God. It has been left to the judiciary to resolve the dispute; the federal minister of internal affairs, Pavle Bulatovic, who was on a trip at the time when the incident took place, will have to move to the Palace of the Federation; and the building remains in Sokolovic's hands until everything is settled. The attempt to minimize the entire problem seems cynical; a member of the Republic's special police explained to newsmen that the doorman who forgot the key was to blame for the large number of police gathered in front of the building in Knez Milos! Nor did the official press release from Zoran Sokolovic, which was late in coming, sound essentially different. In brief paraphrase: The Serbian MUP only took what belonged to it, and the entire event ought not to affect relations with their federal counterparts.

This round, then, was won by the Republic Government, but many questions have gone unanswered. Why, for example, does the Serbian police want this building so badly? It is probably not a question of equipment, because the Serbian MUP has already taken over the Security Institute in Queen Catherine Street, one of the most up-to-date intelligence centers in this part of the world. That complex, about which little is known, includes heliports, the most up-to-date target ranges, laboratories in which teams of experts are working, weapons arsenals, the latest technology.... In the time of our unlucky love for our nonaligned brethren, Iraqis, Palestinians, and other "fighters against imperialism" were trained on Banjica. There is no such equipment in the building in Knez Milos Street, at least not that much of it.

The reason for the sudden armed attack might perhaps have been documentation: the archives of the Yugoslav branch of Interpol and the files which the former federal SUP [Secretariat for Internal Affairs] assembled with care. A federal inspector for many years, now retired, says, however:

"The documentation that exists is not so important that one would break in with weapons because of it. The more important documentation was scattered even earlier, after the Brioni Plenum and in the time of Dolanc, Vrhovec, Stambolic.... Little of any value has remained in the building except perhaps the furniture and a wonderful picture of Vlaho Bukovac."

Because it is difficult to believe that Zoran Sokolovic is such a passionate lover of art, it is logical that we should seek the reasons for the armed attack somewhere else. Although the documentation that exists may be of secondary importance to the police, one should not forget its possible use in politics. The elections are getting closer and closer, and possible compromising material on the part of the political competitors might be welcome. In any case, some of the personnel of the federal MUP loyal to Cosic and Panic, having a feeling there would be an attack, seem to have removed their personal archives (with data on their network of collaborators and so on) to a safe place.

Of course, aside from documents that it would be good to preserve, there are also those which must disappear. That is why Mihalj Kertes' visit to the building is indicative, if that information is correct. That is, charges against the former chief of the federal SDB are not infrequent to the effect that he was the one who armed Serbian units during the war in Croatia and Bosnia. Perhaps Slobodan Milosevic's assertion that there are no paramilitary formations in Serbia might even be called into question, and there is already too much talk about Kertes' Red Berets.

Nor is the documentation of Interpol without importance. It is well known that this organization has for years now been expressing a desire to have a talk with the local pastry cook Zeljko "Arkan" Raznjatovic and to send his photograph and biography to all the countries in Europe. It is not difficult to imagine how the citizens would react upon learning that the presenter of the Obilic Medal, the commander of the Serbian Voluntary Guards, the man whom the state-controlled media have proclaimed a hero of a war in which Serbia never took part, had at one time robbed banks and jewelry stores in Europe, took hostages, and escaped from prison. And the U.S. experts in the problem of war crimes have recently been asking some questions about him. And not only about him, of course.

Nevertheless, it seems that documentation, equipment, and office space, even if it is true that they are worth \$20 million, were only a pretext for achieving different objectives. It is interesting that the "dress rehearsal of a putsch" took place the day after Dobrica Cosic, president of the FRY [Federal Republic of Yugoslavia], departed for Geneva for the peace negotiations with other participants in the bloody Yugoslav drama. Prime Minister Milan Panic was also supposed to be there, but driven by a presentiment or information he had, he came back to the country two days earlier. The conclusion concerning an attempted putsch, it seems, would be

inaccurate, but it is certain that this was a serious warning. This shows the world who wears the pants in the house and whose consent is required if there are to be any negotiations.

The Homeless Feds

Aside from that, Aleksandar Bakocevic, president of the Serbian National Assembly, gave consent the day before this event, in a conversation with the heads of the party caucuses in the parliament, for the republic elections to be held at the same time as the federal ones. The message sent to the people, the opposition, Cosic, and Panic is clear: There will be elections if and when the Serbian authorities so desire. The armed action was probably supposed to demonstrate that the top Serbian leadership is prepared for even this kind of showdown should it be necessary. The actual incursion into the building of the federal MUP can be represented as a "small demonstration of force." The technology of the coup d'etat is well known: one captures the buildings of the radio, television, the General Staff, the police, the post office, and then bridges and several main communications routes. In this case, it seems, the taking of this building just before the election is supposed to remind that part of the citizenry which is wavering that the stick is "in safe hands."

Speculation about the strength of the main opponents on the Yugoslav political scene are thereby gaining intensity. The balance among Cosic, Panic, the Montenegrins, a majority of the people, with foreign support on the one hand and Milosevic and his police on the other, has now been disrupted. The federal police, reduced to a police brigade at No. 34 Sarajevo Street and the operational areas at Batajnica, have for all practical purposes been left homeless. At the time when the former federal state was falling apart, many employees of the SSUP [Federal Secretariat for Internal Affairs] exercised the right to early retirement, and those who have remained under administration of the Republic of Serbia (some of the employees in the Security Institute, for example) are not protesting too much, because, we have learned, their salaries have been increased. In case of a conflict, the less well-equipped and motivated federal police (and among them there are quite a few of Milosevic's adherents) will face their considerably more numerous and better armed republic counterparts, who probably would be reinforced by a "division from across the Drina." The outcome of such a conflict is not difficult to surmise.

And while the numerical strength of the federal MUP is shrinking, the republic police are getting stronger and stronger. "The Serbian police have 48,000 members, who are well paid and completely loyal to President Milosevic," FRANCE-PRESSE has learned from sources close to federal authorities, "and has several thousand reservists who can be called up if needed." The Serbian police have light armored personnel carriers and helicopters. The federal police "have no more than 1,000 members, and theoretically it could mobilize between

2,000 and 3,000 men. It also has a unit to fight terrorism with about 200 members. It also has armored vehicles and helicopters."

The tactics of the republic authorities in this conflict remind observers a bit of the "Croatian formula"—creating a republic army from MUP personnel. That is why many people are rightly asking which side the army would take in such a conflict? Judging by certain assessments of the outlook of a portion of the junior officer corps, the federal "duo" has nothing to expect from that quarter: The favored political figure is the "honest oppositionist" Vojislav Seselj. And the statement by General Zivota Panic, chief of the General Staff of the Army of Yugoslavia, in the Federal Assembly might be taken similarly. However, the statement of Ljubodrag Stojadinovic, columnist in the newspaper VOJSKA, whose views have up to now always coincided with the thinking of the top military leadership, makes one hesitate. The day after the "gunfight at the OK federal MUP," Lieutenant Colonel Stojadinovic expressed dissatisfaction on Independent Television Studio B because of the "inquisitorial attack of a deputy in the Federal Assembly on President Cosic," and added: "The most vital part of the Army of Yugoslavia is supporting its supreme commander Dobrica Cosic." Loud and clear.

The Weakening of the "Duo"

Probably counting on the army being tired of war, its members drastically impoverished, and with a lack of motivation for a conflict with the entire world, some foreign newspapers have interpreted the confrontation between the two police forces as Milosevic's reaction to the supposed intention of the federal authorities, with the help of the army, to overthrow the top state leadership, to continue the peace negotiations, and to speed up the country's democratic transformation. The reaction of the army during the event described or, better put, the absence of a reaction, refutes that line of argument. For the present, the army will stand to the side and not budge until there is some serious shooting.

It should also be emphasized that every coup d'etat, even the most well intentioned one, runs a handful of risks. Anyone who comes to power by that route is condemned to an undemocratic rule because of the precedent which can become the rule, as well as because of the fear that he might end up the same way. One's impression is that Cosic and Panic are aware of that.

There remain too many questions: Will anyone be able to remain safe in a country in which the authorities responsible for enforcing the law drastically violate that same law? Will dissatisfaction because of the peaceful policy of the federal "duet" encourage the Serbian authorities to secession and political infanticide? Who was it who wanted to "scuttle" the peace negotiations, which, by all appearances, are entering the final phase, and why was this? Who is it that wanted to weaken Cosic's and Panic's negotiating position at precisely the time when their activity was beginning to bear fruit?

Answers should be sought first from those who gave the orders for the premises in dispute to be taken by force of arms and from those who were so much interested in the building built by the labor of Rankovic's prisoners. The citizens of Serbia are frightened, hungry, they are living in a ghetto, and civil war is the last thing they want. In Sarajevo, it all began with a conflict around the school of the MUP, so that yet another unpleasant analogy is being imposed on us. For the present, fortunately, the trouble has been avoided, but there is a big question of whether those who want peace include all sides in the current political conflict? The unraveling, it seems, is not far off, and until we see whether the vote will be taken with paper or lead, it remains for the citizenry to chuckle when they read Zoran Sokolovic's statement. Asked by a newsman why property problems of this kind are resolved in the middle of the night, the Serbian minister of internal affairs responded: "It was not in the night, it was in the morning."

Serbs See Support in Orthodox Countries

93BA0160A Belgrade PRAVOSLAVLJE
in Serbo-Croatian 1 Sep 92 p 3

[Article by Prof. Dragan Terzic: "Truth and Justice in the Western Manner"]

[Text] In this most difficult time for the Serbian Orthodox people, when aid and encouragement are not coming from any side, when we have remained "the sad orphan without anyone anywhere," as Bishop Njegos says, it is left to us to turn only to God and His eternal justice and truth. As if all the human hypocrisy, injustice, and lying had never manifested itself and been revealed so much earlier as now. If we were not daily witnesses, we would never be able to believe that so many people in the world consider the truth to be a lie, and accept a lie as the truth. How limited is man's brain, how unstable his character, how lulled his consciousness.

Since the beginning of the conflict in Yugoslavia, Serbs have believed that politicians and statesmen in the West would easily establish whose side truth and justice were on; they have believed in the democratic spirit and the democratic tradition of these states. But, as has been the case many times so far, it has turned out that the Serbs have been mistaken in trusting in the Western sense of righteousness.

All the power of the developed Western countries has been placed in the service of just one goal: to break up Serbs into a number of little states and, as they say, "return them to their underbrush." They are representing Serbs to their uninformed public opinion to an overwhelming extent as people from the jungle, savages, and criminals. They justify every means utilized to subjugate the Serbs. It is as if justice, truth, and honor are unknown principles to them.

It would be said at first glance that they are doing this unconsciously, from ignorance. We thought this way earlier, so we tried as much as we could to point out the

real truth to Westerners, believing that they did not know the real situation and the essence of the conflict but, as time passes, it is increasingly evident that they know very well what is happening in Yugoslavia, especially in Bosnia-Herzegovina. We realize that their sole method of operating is lying, their purpose the disappearance of Serbianism and Orthodoxy, and their motive hatred. Here are only a few examples.

The resistance of the Serbian people in Bosnia-Herzegovina against those who want to exterminate them biologically is called aggression by Western propaganda and the Serbs, aggressors. As if they do not know that aggression means an attack by a foreign state and a foreign people on a domestic population. Not once have they asked themselves: How can the people who are the oldest in that country, who are native to it, be the aggressors? Is it possible that the aggressor is the one who is defending his home and his children from criminals? Can the British be aggressors in England or the Germans in Germany? And no matter how much the Serbs have proven and pointed to the irrefutable, logical facts, Western media and Western statesmen do not want either to hear it or know it.

At the same time soldiers who are citizens of Croatia are fighting against Bosnian Serbs in Bosnia-Herzegovina; indisputable proof of this exists, but nevertheless no one calls Croatia an aggressor. We don't know what else the Serbs are supposed to do to get it through Westerners' heads once more that Bosnia-Herzegovina is not only Muslim, but belongs equally to Bosnian Serbs, and that the Serbs are not conquering Bosnia, because they have already been living there for 15 centuries, while the Muslims have existed in Bosnia for just 500 years. Westerners are intentionally creating confusion in terminology and are thus misleading their otherwise ignorant public opinion. Speaking and writing about the conflict in Bosnia, they are calling only the Muslims Bosnians, so that a belief is developing that domestic "Bosnians" are defending Bosnia from foreign Serbian attackers.

The Serbian leadership in Bosnia-Herzegovina has already been informing world organizations and Western countries for several months that Muslims and Croats are holding Serbs in concentration camps, in which they are torturing and killing Serbs and raping Serbian women, but not a single one of those organizations or countries has moved a finger to protect the Serbs. And our church has warned certain world organizations and figures several times about the crimes and genocide that are being carried out against Serbs in Bosnia-Herzegovina, but not a single one of these entities, except the World Council of Churches, has paid any attention to this, let alone visited these camps and informed the international public about them. However, when Alija Izetbegovic has complained to world organizations that Serbs are allegedly holding Muslims and Croats in concentration camps, all the world television networks rush to film it. And what have they filmed?

Prisons for Muslim-Ustashi war prisoners. They have convinced themselves that they are eating the same food as the Serbian fighters, no one is torturing or tormenting them, and some prisoners have stated that they have it better in prison than at the front, since they are at least assured of food and shelter. There is not a single woman or child in these camps. Those world organizations and Western countries have not showed the slightest interest in the real concentration-death camps in which Muslims and Croats are holding Serbian men and women. And it has been documented and proven that there are such camps in Tuzla, Stupara, Kladanj, Zenica, Bugojan, Hadzica, Pazaric, Celebica, Bradina, Konjic, Jablanica, Mostar, Capljina, Ljubuski, Rascana, Livan, Duvan, Jajce, Bihac, and in Sarajevo there are all of 22 concentration-death camps for Serbs. Only Maud Billman, a reporter for the Associated Press, has somehow succeeded in reaching the camp in Capljina, which Croats are holding, where she saw several score Serbian women confined in one area alone. Therefore, it is not a question of soldiers captured in war clashes, but of civilians, yet Westerners are not excited about this at all. This is best seen during exchanges of prisoners. The Serbs are delivering to Muslims and Croats exclusively males captured in combat actions, while the Muslims and Croats are delivering to Serbs mainly women, the elderly, and even children; this means civilians and not soldiers. These exchanges are carried out in the presence of the United Nations, the EC, and foreign journalists, but it is as if they do not notice these facts, which indisputably indicate who the perpetrator and who the victim of genocide is.

To complete the distorted picture of the Serbs, Western propaganda has also discovered concentration camps in Serbia. Among the hundreds of thousands of refugees from Bosnia-Herzegovina, several tens of thousands of Muslims have also come to Serbia. The Serbs in Serbia have received them like their Serbs, without any discrimination, settled them in hotels, summer resorts, tourist camps. In accordance with their capabilities, they have provided them with a normal life. And instead of praise for this good deed, Westerners have slandered Serbia for placing Muslims in concentration-death camps. As if no one can comprehend that there are people who extend hospitality to the families of their enemies and war adversaries. But there are, and the Serbs are these people. They accept and feed the women and children of those who have remained in Bosnia to slaughter the Chetniks, as they call them. It turns out that it is more useful for Serbia to act according to the example of Slovenia, which is continuing to refuse to accept refugees from Bosnia-Herzegovina. No one is criticizing Slovenia because of this. But if Serbia did the same thing, they could hardly wait to accuse it of racism.

There are no longer any Serbs in large parts of Bosnia-Herzegovina, although they have lived there for centuries. In areas around Livan, Duvan, Bugojan, Travnik, Zenica, Visoko, Kakanj, Tuzla, Zivinice, Banovic, Srebrenik, Zepac, Zavidovic, Kladanj, western Herzegovina, and many others, there are no more Serbs; these

areas have been ethnically cleansed, and their homes and churches burned down. One-half million Serbs from Bosnia-Herzegovina have been driven from their homes. Not only have Westerners not been concerned with this and not raised their voices in defense of the Serbs, they are also accusing the Serbs of carrying out ethnic cleansing themselves. Where is the justice here, where is the truth?!

The Serbs have placed great hopes in their so-called friends in the world, in allied countries in World Wars I and II. Now they are convinced of the harsh reality: these countries, former allies, are looking out for their own interests, and some are under the tremendous influence of the Vatican. After the request by the Roman pope to the United Nations for military intervention by the Western powers in Bosnia-Herzegovina, which really means attacking and destroying the Serbian defenders (it is clear to everyone how much of a connection this has with Christianity), the Security Council quickly passed a resolution that permits military intervention under the appearance of protecting humanitarian convoys.

It should already be clear to us once again that we cannot expect help and support from non-Orthodox countries. Real friends are recognized in difficult moments. And during this misfortune of ours, only Greece, Romania, and Cyprus—Orthodox countries—have confirmed themselves as Serbian friends, and the Serbs should never forget this. The Russian people are also our friends, but their current leadership, because of the difficult economic crisis in Russia, has been forced to betray not only Serbian but also Russian national interests. We must finally free ourselves from the illusion of entering into any kind of Europe. We have already been in Europe for 15 centuries, and as for Western Europe, except for economic ties and relations, we can't have anything in common with them, because we love truth, justice, and honor, but their goal, instead of this, is interests and business.

The Lord Jesus Christ said: "Blessed are those who hunger and thirst for justice, because they will be sated." Today there are no people on the globe who are more hungry and thirsty for the truth than the Serbian people. We will not satisfy this hunger and thirst for justice if we seek it from people. It can come to us only from God, because human justice "holds the truth in injustice" (Romans 1:18), while God's justice is Christ. Those hungering and thirsting for justice will be sated if they drink from the water of life, which only Christ has and from which one never thirsts.

Serbs View Western Christianity as Threat

93BA0160B Belgrade PRAVOSLAVLJE
in Serbo-Croatian 1 Sep 92 p 5

[Interview with Rasko-Prizren Bishop Artemija by Paul Pavlikovski, journalist of the BBC of London, on 26 July in the Decani monastery: "Today Serbia Is Threatened by All of Western Christianity"]

[Text] [Pavlikovski] Kosovo is for the Serbs what Jerusalem is for the Jews. How would Your Reverence explain the exceptional significance of the Kosovo Battle for Serbs and for the world?

[Artemija] I would say even more than that. Jerusalem is a holy site for the Jews because of one single temple that they had in it, and because of the graves of their great ancestors and rulers. The Serbs have hundreds and thousands of temples and holy places, churches and monasteries, large and small, in Kosovo, and also the graves of their great ancestors—kings and rulers—as well as the graves of countless soldiers, martyrs and neomartyrs, who soaked the holy Kosovo ground with their blood a mile deep, not in destroying other peoples, but in defending their holy sites from conquerors, their names and honor, fighting for the highest Christian ideals: "For the holy Cross and golden freedom." Thus the Kosovo Battle has the significance for Serbs of a conscious choice of and focus on eternal values, on the Kingdom of Heaven. Those values, therefore, for which it is worth living, but also for which it is worth sacrificing oneself. With this Kosovo focus, Kosovo has become not only a geographic concept for Serbs, but above all a spiritual idea, without which there are neither Serbs nor a Serbia. It is not known whether some other event, or battle, has had such a crucial significance for other people in their history as the Kosovo Battle for Serbs, and, more broadly, for all of Europe.

[Pavlikovski] What does the focus of Prince Lazar on the Kingdom of Heaven mean? Is this collective suicide or a collective sacrifice? Is this, perhaps, a new Serbian Gospel?

[Artemija] Some modern theoreticians, obviously having lost their feeling for eternal values, are prone to view the focus of holy Prince Lazar and all the Serbian people at that time on the Kingdom of Heaven, and on the Kosovo Battle in general, as the collective suicide of a nation. But this is nonsense. Suicide is carried out when the meaning of life is lost. In contrast, they consciously went to Kosovo for the highest ideals of life, for the most developed meaning, which is much more worthwhile than a "bare" life, and this gives that focus the character of self-sacrifice and martyrdom. Such a focus of Prince Lazar and the entire Serbian people, from the aristocrats themselves to the last servant of Goluban, has condensed the whole Christian Gospel into St. Lazar's, the Kosovo Gospel, which reads: "Everything for Christ, Christ for nothing." With this are expressed the consciousness and the self-consciousness of a whole people that Christ is the highest value in all worlds, because of whom everything is sacrificed, while He is the Son of God, Christ, for nothing.

[Pavlikovski] The Serbian Orthodox Church is the sole example of a close connection between the national interest and Christian teaching. How did this come about?

[Artemija] It is usually considered that the Serbian Orthodox Church is identical to the Serbian people and that it serves only national interests; this should (tendentially) present the Serbian Orthodox Church in a negative light. And I would say this only a little bit differently. The Serbian people, or Nation, has become merged in substance with the church to the extent that its national interests have become so close, often identical to the views and teachings of the Orthodox Church. And this can only enhance the honor and praise of the Serbian Orthodox Church.

[Pavlikovski] Serbia was once the defense line for all of Western Christianity. Is this also true today in some sense?

[Artemija] I wouldn't say that. Today Serbia is threatened by all of Western Christianity, unfortunately. Our "Christian brothers" are conscientiously helping our "Islamic enemies" to cause us trouble. Europe often did that earlier in all our wars of liberation. It is doing it today, probably, in order to preserve the continuity of its negative views of Orthodox Serbs. And it is possible that with this it also has "its" personal interests.

[Pavlikovski] The holy book says: "Blessed is he who suffers for justice." Is this the case today with Serbs and in what is this reflected?

[Artemija] You are certainly thinking of Christ's words: "The blessed exiled because of justice." We rejoice that these words are being realized with us, even after 2,000 years. Both near and distant enemies, both Muslims and so-called Christians, are persecuting and driving us out, because we still adhere to the sacred Kosovo ideals, and particularly the Lord Jesus Christ as the highest values.

[Pavlikovski] How has such a burden fallen right on the shoulders of the Serbs, and so much for them to atone for? Have they been entrusted with some special mission, some special role in history?

[Artemija] I do not think that we are the "Messiah's people" with some special [illegible word]. God's providence has placed us on the soil on which we have been living for over 1,300 years. Perhaps the "hearts of many" are being revealed through their attitudes toward us. I personally think that God visits such suffering so often on us out of love for us. Because "the Father who loves his son, also reprimands him." God does this, probably, in order that we conform to Him as firmly as possible, and for us to be cleansed through these sufferings of our personal and national sins, which are certainly not small. We are people, and not angels.

[Pavlikovski] How and with what are the holy objects of Kosovo proving to the whole world that Serbs are not beasts or barbarians, as the world often sees and describes them today?

[Artemija] These holy objects should not only be seen, but also felt. The people who have created these works,

such as Pecka Patrijarsija, Decani, Gracanica, Studenica, Zica, Sopocani, and many other holy objects of ours; the people who have left us this kind of precious treasure, such as our medieval frescoes, like Milesevi's White Angel, or Jovan Gracanicki; the people who have distilled and abridged the whole Gospel of Christ in their epic poems; the people who have produced saints like St. Simeon Nemanja, St. Sava, the holy Martyr Prince Lazar, Deacon Avakum, the holy Bishop Nikolai Zicki and Saint Justin Celijski, how can they be bestial and barbaric?

And how can a people be "bestial and barbaric" when the most monstrous brutalities (genocide) and barbarism (destruction and eradication of holy places) are carried out against them for centuries, and they (only sometimes) do something similar in self-defense? What kind of ethics demands that they surrender to a massacre without resistance? And do those who accuse us of being "barbarians" perhaps behave that way? We don't see such an example from them (or from anyone), but we have often experienced precisely from them both the brutality and barbarism (three times just in this century) that they have carried out against us. That which they are accusing us of and describing us as today as a people is only proof of their cynicism and hypocrisy. And in all this we find comfort in our God, who informs us: "Do not be afraid; if they drive me out, they will also drive you out."

[Pavlikovski] Could it happen nevertheless that Kosovo is lost?

[Artemija] It could happen that the Serbs disappear as a people, that we are all destroyed and killed off, not by the Kosovo Albanians (because they are not in a position to do this), but by the world "policemen" and self-styled "guardians" of justice, and with the aim of realizing their "New World Order," in which there is no place for Orthodox Serbs. This can happen, but for us to lose Kosovo with all its holy places, that can't happen. Simply because the Serb, the Serbian people, and Serbia without Kosovo cannot exist, as a body without a soul cannot live.

RSK Army Staff Chief on Persecution of Officers

93BA0135B Belgrade BORBA in Serbo-Croatian
20 Oct 92 p 12

[Letter from Lieutenant Colonel General Milan Torbica, chief of staff of the Territorial Defense of the Serbian Republic Krajina, to BORBA: "Persecution of Officers From Krajina"]

[Text] The scenario of the accusations, mudslinging, and expulsion of officers had already been tried in Slovenia and Croatia, and those who ordered it believed that the same thing will happen in the Serbian Republic Krajina [RSK]. In trying to carry it out, they are activating groups and individuals in the RSK and outside it who are slandering former officers of the JNA [Yugoslav People's Army] and who are now in Territorial Defense

[TO], the Defense Ministry, and the Ministry of Internal Affairs. Pejorative epithets are openly being applied to them, they are even being proclaimed traitors, it is beyond understanding how one can call an officer who came to the defense of Krajina and his people a traitor, states the letter which General Torbica sent to our editors.

If this scenario succeeds in driving the slandered officers out of the RSK, where they are citizens, Krajina would have no professionally trained military personnel that could organize the defense of Krajina, and those who are behind this know that very well. It is not difficult to conclude what would happen then to the people and territory of the Serbian Republic Krajina and in whose interest this is. It is certain that this is in the interest of the enemies of the Serbian people.

Individuals, few in number, but very loud, are not stopping short of even terrorist attacks on the officers, and such a case occurred on 28 September 1992 in Benkovac, which fortunately ended without consequences for the life of the officer and his family.

Certain journalists have also become involved, either consciously or unconsciously, in the campaign to defame officers of the former JNA, attributing to them responsibility even for what they could never have been personally responsible, conducting unobjective reporting, and purveying half-truths and untruths. With this kind of reporting and writing, they are participating directly in carrying out the plan of Tudjman's Croatia to weaken and break up the Serbian Republic Krajina.

There is no point in even arguing with the journalist of DUGA, who even wrote about Miljevci Plateau, reserving for himself the right to evaluate the defense strategy, proclaiming the guilt and responsibility of the person who by his criteria should be proclaimed at fault so that he leaves Krajina. No one is evading responsibility, nor can they, and no one wishes that, not only in the case of Miljevci Plateau, but in all the other cases as well, including the chief of staff of Territorial Defense of the Serbian Army of the Serbian Republic Krajina. But that kind of writing is more than malicious, because it is well known who is the most bothered by the officers of Territorial Defense.

We might also ask whose interest Snezana Veric is serving when as a journalist for POLITIKA she attended the RSK Assembly in Vukovar and from that parliament, following a number of very rich and open discussions, she picked out only those that were directed against the RSK, i.e., against officers of the JNA and who now belong to Territorial Defense and the Ministry of Internal Affairs?

Not a word did she have to say about how the deputies reacted to the statement of Lt. Col. Gen. Milan Torbica, when all the delegates except one gave full support to the Main Command of Territorial Defense and to Lt. Col. Gen. Milan Torbica and voted against his resignation,

and in her article she mentioned him only on the basis of a speech by one of the 350 delegates.

If what she writes has no deeper political connotations, and this is supposed to be professional journalism and objective reporting, more power to her. I am certain that there are quite a few of these malicious individuals, at least in Serbian journalism.

The deputies in the Assembly in Vukovar showed in whom the people have placed their trust, and I consider objective writing about that and other events the obligation of all well-intentioned newsmen, who understand their role and importance in these times which are stormy and decisive for the RSK as they are for the Serbian people as a whole.

I am certain that the people of the RSK will have the strength to stop the malicious individuals and groups whose objective has been defined far from the Serbian Republic Krajina and is contrary to the interests of the Serbian people. Just as it has had the strength in the armed combat against Tudjman's Croatia to preserve its freedom, to which many lives have been dedicated, including lives of officers of the former JNA. And those who have remained in the Serbian Republic Krajina will continue to share with the people its destiny, the letter of Gen. Milan Torbica to BORBA concludes.

[Box, p 12]

Torbica Submits His Resignation Again

Knin, from S.R.—Gen. Milan Torbica, chief of staff of the RSK Territorial Defense, has been persistent in his intention of submitting his irrevocable resignation from that position, and in that connection he has sent a letter to Milo Paspalj, president of the Krajina Assembly, and Goran Hadzic, RSK president. Gen. Torbica submitted his irrevocable resignation the first time in a session of the RSK Assembly in Vukovar because of criticism in connection with the battle at Miljevci near Drnis (21 June), when 48 Krajina fighters were killed, but the Assembly did not accept his resignation.

In the statement for BORBA, Gen. Torbica said that in the meantime he has not backed off from his intention to submit his resignation, and said that he soon would have something more about all this to say for the public. It has been learned unofficially that the occasion for "renewing" the demand for being relieved of his duties is the alleged conflict in the Lika zonal TO staff, which is headquartered in Korenica, as well as Gen. Torbica's quarrel with Bosko Bozanic of Korenica, RSK deputy prime minister.

Federal Macroeconomic Stabilization Program

93BA0159A Belgrade EKONOMSKA POLITIKA
in Serbo-Croatian 26 Oct 92 pp 19-21

[Article by Tomislav Dumezic: "Nothing Without Privatization"]

[Text] The Program for Macroeconomic Stabilization of the FRY [Federal Republic of Yugoslavia], which was drawn up for the Federal Government by the specialists of Ces Mecon and the Institute of Economic Sciences, has not been supported by the Government of Serbia. It remains to be seen whether that government a priori does not accept any changes whatsoever in the economic system that would lead to reestablishment of order in the economy (meaning that the government, social funds, enterprises, and individuals spend just as much as they earn on the market or collect in taxes and contributions), or does it disagree with the methods that are supposed to contribute to achievement of a goal that is not in dispute (stabilization), or perhaps the program is seen as inappropriate to the present disastrous state of the country's economy. It is a fact that the government of the Republic, which comprises more than nine-tenths of FR Yugoslavia, is not satisfied with the announced course of the Federal Government in the economic area.

It is certain that an example cannot be found in the recent history of Europe where the economy tumbled in such a short time as in FR Yugoslavia. Beginning in 1990, production has been dropping constantly. When the reform program was abandoned, the drop of production in 1991 was still more drastic. According to figures of the Federal Bureau for Statistics, industrial output in FR Yugoslavia in July and August 1992 fell to 55-58 percent of the average monthly output in 1991. When we bear in mind the fact that industrial output in 1991 was considerably below that of 1990 (when a drop was also recorded), it is clear that we are looking at a disastrous decline that signifies complete cessation of operation of a large number of industrial firms. Although the number of employees is decreasing, and unemployment is rising, the discrepancy between the volume of output and the size of the labor force is larger and larger, indicative of a constant decline of labor productivity. Prospects to the end of the year are such that there will be no essential change in the present trend. We can assume that the volume of industrial output this December will be about two-thirds less than the average production achieved in 1989.

Foreign trade is also dropping off drastically, as is the total volume of trade. The economic blockade has helped to speed up the decline of imports and exports. However, even before the blockade the volume of foreign trade was dropping as a consequence of the policy of economic self-isolation. The exports achieved in September of this year amounted to only 38 percent of exports achieved in the same month of last year. However, even in 1991 exports were essentially down from 1990.

Deficits

The economy of the SFRY was characterized by deficits in the economy and the banks, in the public sector, on the domestic side, and also the external side. The expression of those deficits was Yugoslavia's foreign debt, the domestic debt, especially represented by the foreign exchange savings of individuals, uncovered losses in the

banks (estimated at about \$10 billion), and uncovered losses in the economy. There was also the Federation's debt to the NBJ [National Bank of Yugoslavia], as well as the debts of public funds (pension funds, health care funds, and others).

These deficits have been growing drastically. Yugoslavia's total foreign exchange assets, according to figures presented in the Program for Macroeconomic Stabilization of Yugoslavia, amounted to \$4,172 million as of 30 June of this year. That amount is divided into \$2,701 million for the convertible area and \$1,471 million for the bilateral payments area. Total foreign exchange liabilities amount to \$5.79 billion (convertible area—\$5.56 billion, and bilateral payments area—\$230 million), from which it follows that net assets are - \$1.618 billion and net assets with the convertible area are - \$2.859 billion.

The internal deficits are considerably larger than the external deficit. They are found in the sector of public expenditure, in relations with individuals, in the form of uncovered losses of banks and socialized enterprises. According to the figures presented in the Program for Macroeconomic Stabilization, public expenditures for social services had a share of 31 percent in the social product in 1990 and 39.4 percent in 1991. This large increase in share is not the result of a real growth of expenditure for social services. It has to do with the smaller output and social product and redistribution of the diminished social product for personal consumption, primarily personal income. Public expenditures for government have also increased considerably (from 18.4 percent in 1990 to 23.8 percent in 1991). The share of intervention in the economy is down somewhat (from 3.8 to 3.3 percent). It follows that total public expenditure has increased rather drastically—from 49.4 percent in 1990 to 63.2 percent in 1991.

This kind of increase of public expenditure could not be covered by a sufficient growth of original revenues for government and social service expenditure. Total original revenues for public expenditure in 1990 had a share of 46.4 percent in the social product. It follows that deficit financing of public expenditure amounted to 3 percent of the social product. In 1991, the situation was getting essentially worse, because the share of original revenues in the social product amounted to only 45.6 percent, which means impermissibly large uncovered financing (from note issue) whose share in the social product of the FRY was all of 17.6 percent. This tendency toward uncovered financing of public expenditure continued and speeded up in 1992, which has resulted in hyperinflation.

Producer prices of industrial products this August were 8,054 percent higher than the averages in 1991. The rise of retail prices was similar. In August this year, they were 7,493 percent higher than the averages for last year. Here, the prices of goods rose considerably faster (8,513 percent) than the prices of services (2,982 percent), which is a normal consequence of the drastic decline of

the standard of living of the population and the real personal income of employees.

According to estimates of the Institute of Economic Sciences, the social product and final domestic demand are dropping off drastically. In 1990, the social product amounted to nearly \$32 billion, in 1991 \$19 billion, and then, in 1992, it dropped to \$13.78 billion. Given such a large drop of the social product and domestic final demand, there was also a redistribution of income, and this tended to alter the social structure. The largest burden from the drop in production and consumption fell on individuals who live on regular monthly earnings from employment and on the basis of social welfare entitlements. That fact has led to dissatisfaction and tension which are approaching the critical point.

Losses in the economy are growing. The expenditures of enterprises are mainly being covered from abundant credits from commercial banks whose origin is primary issue. Inventories of industrial products are shrinking. This primarily applies to products intended for final consumption, where the level of inventories has fallen to 80 percent of the average level of inventories in 1991. It follows that if there is a return to expansive monetary policy, inventories will continue to fall as inflation speeds up.

The dominant social ownership represents a problem for carrying out any stabilization program. After the privatization process was initiated in 1990 on the basis of the Law on Social Capital, the ownership structure was for all practical purposes nailed down. That is, revaluation of enterprise assets resulted in an increased share of social capital in the total stated capital of the enterprise. Serbia's more restrictive law diminished the law of privatization, and interest in transforming social capital dropped off because of general economic and political conditions and the prospects, which were not favorable for businessmen. The diminished and closed domestic market, with constant changes being made in the elements of the economic system and the measures of economic policy, does not stimulate any kind of investment of capital in the development of private enterprise.

Preparatory Period

The Program for Macroeconomic Stabilization assumes a certain preparatory period preceding the real implementation of the program. In that period (up to when the sanctions are removed), a somewhat more restrictive monetary policy would be conducted. The 90-percent projected growth rate of the money supply in the last quarter of this year over the end of the third quarter, along with the estimated 30-percent drop in the social product, represents, according to the authors of the program, the upper limit of the permissible growth of the money supply. Any increase would cause a drastic rise of inflation and shrinking of income.

In the preparatory period, appropriate changes should be made in fiscal policy. The objective is to reduce public expenditure in FR Yugoslavia to 40 percent of the

estimated social product. If progress is to be made toward that goal, a consolidated balance sheet has to be drawn up of the overall public expenditure of the republics and the federation. Laws on intervention would have to be adopted to gradually reduce public expenditure to the programmed level of 40 percent. A deficit is taken for granted. The deficit would be covered more and more by issuing and selling bonds on the securities market and less from primary issue.

The goal in personal income policy is to maintain the present level which wages and salaries have in the unit value of the product or service, in order to reduce cost pressure. Wages and salaries would have to be controlled by setting average wages and salaries per employee in the economy on the basis of anticipated trends of labor productivity and inflation.

To bring about the conditions for liberalization of prices as the program is being carried out, liberalization has to be initiated even now. It is thought to be possible to immediately carry out a liberalization of prices of products which are not crucial to the personal standard of living and for which there is satisfactory competition on the domestic market under the conditions of the blockade. This move would reduce the extent of price controls of industrial products from 60 to about 40 percent.

The Program for Macroeconomic Stabilization is based on a fixed stable exchange rate of the dinar. It is not possible to fix the exchange rate in the preparatory period. That is why it is proposed to open currency exchanges on which the exchange rate would be formed on the basis of supply and demand. When the exchange rate is formed under those conditions, conditions would also be created to fix it after the sanctions are removed and after economic relations are restored with the former Yugoslav republics.

Overcoming the Deficit

Even on the assumption that the blockade is removed at the beginning of 1993, a relatively large deficit would be brought about in relations with foreign countries. It is foreseen that the deficit in the balance of payments in 1993 would amount to about \$1.2 billion. The premise is that foreign exchange reserves have to be increased to the level that corresponds to imports over three months, which presupposes another \$850 million. Because obligations for credits come due will amount to about \$1.15 billion, the total financial gap will be formed at the level of about \$3.2 billion. The gap would be closed through refinancing, the use of financial credits, and financial support of the IMF and World Bank.

The program assumes removal of the sanctions, reestablishment of a common market and customs union with the former Yugoslav republics, a domestic market relatively open to foreign competition, reduction of public expenditure to the level of about 40 percent of the country's social product, wage controls, a fixed stable exchange rate of the dinar, and a restrictive monetary

policy. It might be said that these are the premises on which the reform program dating from December 1989 was based. The essential difference is that the Program for Macroeconomic Stabilization does not assume dinar convertibility and that liberalization of foreign economic relations will be gradual.

The material and political conditions for carrying out the reform in 1990 were considerably more favorable than those today. To be sure, even then there were very pronounced material deficits in the National Bank of Yugoslavia, the commercial banks, and enterprises. Today, they are incomparably larger, and the volume of production and the social product have been cut in half. The policy of self-isolation and the sanctions of the international community have also resulted in the severing of business ties of economic entities from the territory of Yugoslavia both with enterprises from the former republics of the SFRY and also with foreign trading partners. The political situation is also considerably more unfavorable. All of this indicates that the program would not have chances of speedy success.

The program's basic postulates are certainly acceptable. One cannot dispute the validity of a commitment to a fixed and stable exchange rate, restrictive monetary policy, wage controls in the socialized sector of the economy and noneconomic activity, reduction of public expenditure and its reduction to 40 percent of the social product, etc. However, attention must be paid to the present grave social welfare situation, which does not allow any major redistribution of income, because any reduction of the share in income, in view of the permissible lower limit having already been reached, could provoke an explosion of social dissatisfaction. Especially since the conditions exist for an outbreak of social dissatisfaction to be supported even by the structures of government themselves.

Ownership as a Precondition

All reforms in socialist countries have failed because of social or state ownership. That is, they proceeded from an erroneous premise—that market behavior of economic entities is possible even under conditions when private ownership does not exist. The reform dating from the end of 1989 was a reform of the system. It neglected the importance of ownership at the outset. Only in August 1990 was the Law on Social Capital enacted, allowing privatization of socialized enterprises through the issuance and sale of internal shares. At that time, there had already been a breach in the monetary sphere, and the political antagonisms between the republic governments, including their attitude toward the federation, were growing all the while. That is why the program did not succeed.

The consistent conduct of a restrictive monetary policy, that is, of firm budget restrictions, yields particular benefits in the context of social ownership. Instead of adapting production to the requirements of the market, reducing inventories, and turning toward the world

market, economic entities, left without credit, become illiquid and insolvent in large numbers. This large-scale phenomenon cannot be resolved through bankruptcies, because more than 50 percent of socialized economic enterprises would be liquidated. The consequence would be unemployment and social dissatisfaction.

In order to avoid the irrational behavior of economic entities, privatization of social capital is inevitable. It is clear that the conditions for privatization are very unfavorable. The value of the social capital of economic enterprises in FR Yugoslavia is extremely low. The interest in buying socialized enterprises is also minimal. This does not mean, however, that privatization should be postponed for better times. There simply will never be better times so long as social capital is dominant.

Analysis of Status of Private Banks

93BA0159B Belgrade *EKONOMSKA POLITIKA*
in Serbo-Croatian 26 Oct 92 pp 23-24

[Article by Vladimir Grlickov: "Private Banking: Between Profit and the Abyss"]

[Text] Little is known about private banks in these parts and little is understood about how they operate when they can give "unheard-of" attractive interest rates for dinar and foreign-exchange savings depositors. The suspicious see the high interest rates (recently the public banks have been keeping up with them) as an occasion for a priori anathematization; they are not seen otherwise than as evil, immorality, and speculation.

The private banks, only because they belong to that type of ownership and already have enough strength today to defend themselves against unsubstantiated and usually a priori political-ideological assaults, are not inherently immune, nor for that matter are any of the factors in the banking and financial mechanism ("from top to bottom"), to possible speculations, deceptions, and unethical business practices.

Dafina and Jezda

The Dafiment Bank and Jugoskandik, because of their popularity and the high interest rates they pay to savers, are the examples usually chosen to show the improper business operation of the private banks. It is said that Dafina and Jezda, as the owners of these banks, are realizing immense profits because they "amass" money in wartime and are importing weapons (and other war materiel), because they are involved in illicit "laundering" of money and the drug trade—and who knows what else. When their immorality is alleged, it is also said that they enjoy a "discount" from various monetary and inspection authorities in that, for example, they are exempted from payment to build up the legal reserve—or that various financial policing authorities overlook many of the things they do. Nor should we forget the old assertions that Dafina and Jezda have no business balance sheets at all from which one could clearly see how

they are realizing their large profits and sharing them with savers in the truly high interest they are paying.

As for the last assertion, it has been demonstrated that it is not accurate, because the Dufiment Bank and Jugoskandik do have balance sheets, but there is discussion as to whether they are detailed and have a sufficient number of items in the breakdown.

It should be mentioned in connection with all of this that these are not the only private banks which are frequently under "attack" because of allegedly immoral and speculative business operation. There is a well-known example of assertions being made in public, in this case, inaccurate, that the owners and managers of various private banks have fled abroad and supposedly found there a secure "refuge" for their capital, out of range of those here in the country who make a claim to their money.

Whence the Earnings

Without going into an assessment of whether and to what extent there is speculation and unlawful operations in the private banks (there is no evidence of it), and for this purpose we have here the Dufiment Bank and Jugoskandik, it is worth seeing what room it is that affords them high profits and interest for savings depositors. First of all, as private banks they never would be able to realize such profits if they were not operating in a "specific" environment, society, and system such as this one today. It is the socialized sector that has guaranteed the private operators room for high-profit operation. It is the socialized sector that dictates prices, because only in this way can it cover its own inefficiencies and losses. Certainly, the private banks, because they do not have a legacy of losses, take advantage of the opportunities to realize earnings in foreign exchange and in dinars. There are two basic points at which these earnings are realized: First of all, there are the earnings which they realize by engaging in purely commercial transactions, where the profit advantages are in the price of the commodity (service) and the large differences (margins) which exist here. Interest rates on loans are the second source of earnings (especially on so-called day loans, where the net revenues are immense, because they have no expenditures or only token expenditures for the day money).

Foreign exchange transactions and earnings on what are called exchange-rate differences realized by operating on "black" currency markets certainly constitute an important source of revenues for some private banks. They bring them not only dinar revenues, but they are also an important source of foreign exchange earnings. It is important to mention here that not only the private banks, but also the so-called socialized banks, have been seen on the black markets. In order to ensure their own liquidity, but also in the interest of "supplying" foreign exchange for the broader needs of society, such as, for example, the importation of petroleum and petroleum products and other products usually classified in the group of so-called humanitarian aid.

But recently the banks have been less and less present on the black markets; there is no high dinar demand there, and the exchange rate for foreign exchange and currency is staying almost the same. It is another matter that an effort is being made to "destroy" the street exchange and move it to authorized exchange offices offering a quite favorable price (exchange rate) for the currencies they purchase. Nor should we overlook the fact that there is also less interest in foreign exchange (currencies) because of the far more attractive opportunities of earnings (savings) in the banks; moreover, again in this case the socialized banks are also offering high interest rates and getting caught up in the competitive race to win savings depositors.

There is a great deal of speculation about whether the private banks can survive when they are guided by the principle of immense earnings and the sharing of profit with the public, in view of the assertion that that bill cannot be paid for long these days, that is, that no economy, neither socialized nor profit, can support it (and at the same time there are the opposite assertions to the effect that even these high interest rates are still below the rate of inflation). Along the same line is the assertion that these banks will not be able to survive long in their position as profiteers and that what they are doing today is a mere appearance that is based on the abnormal (wartime) circumstances and on the "mere" considerably larger inflow than outflow of money, which is a customary phenomenon when any new institution begins operations.

However, from what can be seen, we are not dealing with that kind of naive conception of banking. The owners of these two banks are exceedingly aware of the "phenomenon" of a larger inflow that comes without "true" banking transactions. To be sure, in some cases the private banks (Jugoskandik) are seeking help in refinancing some of their obligations (the sanctions and blockades have nevertheless taken their toll in the project to buy and turn Sveti Stefan into a duty-free zone). It is essential that the reserves created afford them liquidity, respect for the contracts with savings depositors and for the trust they have gained. In the rare periods of increased outflow of money caused by "creation" of an atmosphere of legal and status insecurity, this makes it possible for them to meet their obligations to individuals without hindrance.

The second thing which "reveals" that these are not naive owners has to do with their attitude toward the real general conditions under which they operate. Without denying that their present earnings are (also) the result of abnormal general circumstances and the system, they are ready to adapt their business policies, and they are already doing so (for example, they are setting themselves up as importers of "humanitarian" petroleum and gasoline, they are opening and buying gasoline stations, and taking over the ownership of Sveti Stefan in Montenegro and such things pursue the same purpose). And even in case of other changes in the system that would facilitate the emergence of more competitive private or

privatized and restructured socialized banks (or more aligned movement of the money demand and supply), they will probably be compelled to adapt and lower their interest rates.

The assertion still stands here that even if there are radical changes in the system, under peacetime conditions they will not have to radically lower interest rates excessively: That is, because of the need to mobilize savings of foreign exchange, interest rates of 10 percent per month on foreign exchange savings, which the banks can pay, will still be necessary. Capital will be attracted at any price, at least at the outset, as one of the factors for restoring confidence in the country, which today has no credibility in the world whatsoever.

Types of Ownership

The Dafiment Bank and Jugoskandik are used as an example in analyzing the phenomenon of an altogether new type of business operation with money. There are a large number of newly founded private banks, and they can be divided into several types from the standpoint of their ownership structure. We have private banks with one owner making decisions (the two banks mentioned), with one owner who possesses his own firm which figures as the principal founder (BC Export Credit Bank, the Yugoslav-Swiss Bank, the Zepter Bank), banks with several stockholding owners and limited influence of each of them (the first entrepreneurial bank, the Control Bank, Asna, etc.), and there are also those banks which claim to be family banks. Within this division on the basis of ownership structure, it is not all "black and white." For example, in a bank with one owner making decisions there are those where the functions of ownership and management are merged in a single person; but even in them these two functions are slowly being separated either because they have a formal chief manager (director) or because in practical decisionmaking the owner never does this alone, but always consults with and gets advice from experts (in spite of the natural intuition for good business on which Mrs. Dafina Milanovic, for example, insists).

With respect to their specific ownership structure, private banks are emerging with a single predominant owner who already owns his own firm. For example, the BC Export Credit Bank was established by the owner of Invest Engineering Consortium, and the Zepter Bank by the owner (a foreign national of Yugoslav origin) of a well-known world firm that manufactures and sells environmental cookware. The ownership relation in BC Export Credit Bank is particularly interesting: The founder is the owner of that consortium, which again has within it five firms with independent accounts, but also capital which is less than half of total capital. As for the Zepter Bank, the situation is clear: The majority owner (foreign exchange) is a foreign national from Switzerland, but the president is a Yugoslav national, who heads that part of this foreign firm operating in Belgrade. It is obvious that in this bank as well "specific" managerial functions will have to be spelled out and indicated.

If we examine the ownership structure from the standpoint of the origin of capital, two banks with a dominant share of foreign exchange capital are characteristic. Behind the Swiss-Yugoslav Bank and Zepter Bank there is a strong foreign institution that has issued a guarantee (the Dafiment Bank is covered by a well-known insurance organization), foreign capital in the form of foreign exchange is dominant, and the principal owner is a foreign national of Yugoslav origin. The foreign sanctions and blockades do not seem to be helping these banks, because they cannot activate their capital denominated in foreign exchange, which was originally conceived for importation on behalf of production for export. However, both banks are getting through the sanctions and blockades in that they do have loans (credits abroad outside the range of the blockade and sanctions). We do not need to spell out what a pity it is that because of the blockade the Swiss-Yugoslav bank has not been in a position to realize the project contracted for in the amount of \$200 million in convertible currency (on the basis of exports to the former USSR and collection from the Swiss partner). The Zepter Bank is also losing because it is unable to make the planned investment of capital in these parts, which were oriented toward exports. There is an interesting question of the ownership of the private banks which are springing up within the old large banks. It is suspected that as they operate these private banks will lose their private ownership characteristic and will serve the interests of the socialized sector. Based on the first transactions of these private banks, it seems that the description was given without much thought. This is a bank which intends to preserve its private character in that its bylaws specify that private capital must always be dominant (above 80 percent), it, as do all the private banks, also has socialized capital, but it is the only one to specify that that portion of its capital must serve enterprise and the private sector. The first practical moves made by the banks dispute the assertion that there will be too much blending with the socialized sector, because its first loans have been made exclusively to private operators.

The private bank has a particularly interesting view to the effect that one should not be ideologically blinded and avoid any relationship with partners from the socialized sector, because among them there are also successful and knowledgeable business people. A private bank cannot be turned toward privatization of socialized property and preclude relations with the socialized sector in everyday business relations. Only in that way is it possible to draw private operators into socialized firms and guarantee their presence when the sizable enterprises are bought. Unless the private operators are involved in this way, there is a danger that the entire process of transformation of ownership will come down to nationalization and the firms will not be sold to private operators.

The private banks can, of course, be criticized for various alleged misappropriations; what is mentioned in this regard is the "immoral" act of engaging in trade pure

and simple. The critics of this approach in the operation of the private banks forget that this kind of expansion of activities, outside the range of strictly defined bank deposits and guarantee transactions, is not any specialty of theirs, because the old socialized banks are themselves deeply involved in it. That, of course, does not eliminate the need for legislation to legalize all these transactions, nor the need for all of them to have the appropriate full-fledged bookkeeping so that it is clearly seen what part of the profit comes from banking transactions and what comes from nonbanking transactions.

But the high interest rates continue to be the main problem; and even among the private banks there are those which oppose this kind of business policy. The more cautious managers of certain private banks, who do not give preference to rapid and spectacular results, do not want to get involved in the race of offering high interest rates to attract savings deposits of foreign exchange. So even if they begin to work with savings, their objective will not be the totality of deposits and savings depositors, because their policy will be based on their exclusive clientele for whom safety is the most essential element in relations with a bank.

Nevertheless, there remains the basic view that the system and conditions of business operation have opened up room for high interest rates in the private banks. The basis for this kind of behavior would vanish through a change in the system and the conditions which brought about creation of such maximum earnings and by privatization of the socialized sector. After all, nothing is more natural than for a private operator to begin to think about reducing his immense profit in the context of increased competition; just as it is unnatural to use to the maximum the "advantages" created for him by the system of enormous prices because of the immense losses, the budget deficit, and so on.

Electric Power System Established in Slavonia

93BA0135D Belgrade POLITIKA in Serbo-Croatian
21 Oct 92 p 16

[Article by Snezana Veric: "Power Is Reaching Homes"]

[Text] Vukovar, Oct.—The problem of electrification, which is a precondition for normalization of life in the SO [Serbian Oblast] Slavonia, Baranja, and Western Srem, is finally just about to be solved. The electrification of the SO began practically at the end of military operations, last October.

"At that time, all of the Serbian Oblast was without power except Baranja, which was getting electric power from Valpovo," says Vlado Cugalj, general director of the public enterprise Elektrokrajina. "However, on 2 October of last year one tower of the long-distance transmission line was blown up, and Baranja was also left without electric power. At the end of last year, we managed to build one 35-kilovolt [kv] long-distance

transmission line, with which we connected the transformer substation in Vojvodina with our own transformer substation in Beli Manastir and thus supplied 10 MW [megawatts] of power to meet the needs of Baranja.

"The next linkup was made by connecting the Dalj substation to the electric power system of Vojvodina over a 35-kv transmission line with an installed capacity of 10 megawatts, while the third link was over the 110-kv Sid-Vukovar long-distance transmission line, which already existed and was used to feed the Vukovar area. The first customers received electric power in Vukovar on 15 December of last year, and a majority in January of this year.

"Now the public enterprise Elektrokrajina is embarking on three major investment undertakings," continues general director Vlado Cugalj. "The first and for us the most interesting is electrification of 19 villages which are still without electric power, and these are villages fed from the Laslovo substation. Now the security conditions are far better, and the first customers will receive electric power even by the end of this month."

The second large investment project, according to Vlado Cugalj, is repairing the 110/35/10-kv substation Vukovar 2 and bringing 110-kv voltage to Vukovar. At Elektrokrajina, they are planning to do the repair work on that substation after they finish electrification of those 19 villages.

And the third major investment project has to do with supplying Baranja the necessary quantities of electric power, and to that end they are building a 110-kv long-distance transmission line that will connect Vojvodina's electric power system to the 110-kv substation at Beli Manastir. The date planned for completion of the work is December 1992, and Baranja will thus get a sufficient quantity of power for all economic facilities and households.

All border towns will also be part of the planned electrification of the Serbian Oblast.

"The areas of the Serbian Oblast possess sufficient quantities of electric power for all economic facilities and for general customers," Vlado Cugalj says. "We are nevertheless appealing to consumers not to use electric power for heating. The reason is that the low-voltage network is not large enough, and many housing projects being designed and built were not envisaged for electric heating, so they could be dropped out of the system."

The general director of the public enterprise Elektrokrajina promised that there would be no reductions of electric power, but he does not eliminate them in those areas where the poor discipline of customers results in excessive use of electric power.

The price of power up to 1 October of this year will average 1.66 dinars for households and 2.83 dinars per kilowatt-hour for other customers. The transition to winter rates will result in an essential rise in electric

power rates, and the new rate schedule, we were told by general director Vlado Cugalj, will be published in the media.

In the public enterprise Elektrokrajina, they are appealing to customers to pay their power bills promptly so that if there is a breakdown, power can be restored. In any case, in eastern Slavonia and western Srem they have recorded 17,500 private consumers and, in Baranja, 15,500 households, while in the entire area of the Serbian Oblast there are at present about 2,500 industrial consumers.

Ownership Restructuring of Kosovo Trepca Combine

93BA0136C Belgrade POLITIKA in Serbo-Croatian
12 Oct 92 p 7

[Article by Toma Milic: "The Skipetar Lobby From America Is Trying To Buy Trepca"]

[Text] The recent restructuring of the ownership of the Trepca Mining and Chemical Combine in Kosovska Mitrovica has made 13 shareholders the holders of all the capital. The largest holding in terms of percentage is that of the republic development fund—63.6 percent. Other shareholders are Jugobanka, Geneks, Beobanka, Progres, and others. Far from the eyes of the general public, it is interesting that one offer to buy shares even came from Berlin. This was the firm Grafikohandels, which went for "all or nothing." According to early unofficial information from domestic and foreign business circles, that offer was made on behalf of the financially wealthy Skipetar lobby in the United States, which wants to buy Trepca lock, stock, and barrel for the "future Republic of Kosovo."

The Deception Did Not Work

The deception, we have learned unofficially, did not get by on the exchange. Trepca has strategic importance to Serbia and Yugoslavia, and let us hope there can be no other decision. But in view of the insurmountable financial difficulties, it is not precluded that Trepca's capital might be further divided. At this point, we have learned, the major part of the capital belongs to the state of Serbia. Nevertheless, Trepca is at a crossroads. For the first time in its history, Europe's largest lead, silver, and zinc mine has been at death's door for a decade now. The combine has Yugoslav, republic, and provincial importance, but so far no one has been able to consolidate it. It is being utilized at only 20-25-percent.

Politicization, sabotage, commando raids, and idleness have brought this collective with a work force of 22,000 (today, 8,000) to a beggar's existence even though its raw material potential, according to the most recent estimate of the Serbian Ministry for Mining, amounts to 46.2 million metric tons of lead-zinc ore, and every ton of ore contains 70 grams of silver and 15 to 20 grams of gold. Present reserves cover the mine's life for at least another

40 years. Unverified ore reserves are estimated at another 13 million tons or so.

What has actually happened? After the failure of Skipetar separatism in 1981, especially over the last five years, utilization of capacity has fallen to the lower limit of economic survival of any economic entity. Most of the Skipetar personnel simply do not want to work, because allegedly only Serbia and Yugoslavia benefit from Trepca. What they want is to preserve the raw materials as the economic base of some imaginary future Republic of Kosovo. Thanks to that indoctrination, Trepca today owes customers 4.5 billion dinars and has losses amounting to 2.5 billion dinars. In the assessment of the Mining Ministry and a group of experts from Belgrade, Pristina, and Mitrovica, the capacity in place could yield one and half million tons of ore a year.

In the republic development fund and then also in the Trepca management, they say that detailed analyses of the situation up to 1995 have shown that even under the aggravated business conditions annual production could be 35,000 tons of lead, 26,000 tons of zinc, 54 tons of silver, and then gold, phosphoric acid, cadmium, bismuth, superphosphate, fertilizer, and inorganic salts. There would be many end products as well, such as mining equipment, storage batteries, farm trailers, etc.

Major Financial Troubles

What happened was inevitable. Following the lengthy temporary measures, in the middle of this year the Government of Serbia carried out a restructuring of the ownership and financial consolidation of Trepca. The Skipetar lobby, informed about everything, "came running" to this transformation, when 19 of the 28 firms became part of the single socialized enterprise known as the Trepca Mining, Metallurgical, and Chemical Combine, while nine enterprises remained as independent firms outside the combine. The papers were prepared, but in practice little was done. What is more, it seems that even the estimate of Trepca's capital was very low—only 11.5 billion dinars, while debts and losses exceed 7 billion dinars. Trepca is continuing to sink. It lacks at least 2.5 billion dinars and more than \$60 million of new money to import new technology and ore in order to get production going again. At this point, it is certain that no one has the money for that kind of financial injection, indispensable as it might be, the people say in both Trepca and in the republic development fund.

The second great trouble of this collective is how to increase production.

Krsta Jovanovic, director of Trepca, adds to these troubles yet another which is not to be underestimated. This is the oversized capacity for processing lead and zinc concentrate. Some of the facilities for processing the ore were built in megalomaniacal fashion, with the naked eye, as it were. Thus, the immense new lead refinery, under construction for an entire decade, still has not been completed as an investment project.

The "paper" transformation of ownership and financial consolidation of Trepca (without money or top experts) have not, then, brought relief to the largest collective in Kosovo, nor to the Government of Serbia for that matter. Surely it will not auction off Trepca.

Poll Results on Serbian Leaders, Issues

93BA0136E Belgrade NIN in Serbo-Croatian 23 Oct 92
pp 22-24

[Article by Ljuba Stojic and the team of the NIN Research Center in the series NIN Forum, summarizing unscheduled survey of 200 telephone subscribers in Serbia (not including Kosovo) conducted by the NIN Research Center on Saturday, 17 October: "Cosic, Panic, and Critics: With Faith in the Mind"]

[Text] Events are following dramatically one upon the other with a high rate of acceleration, so that we are forced to remind readers that on Saturday, 17 October, when we did this unscheduled telephone survey, things were peaceful on the political scene. On Friday, the stormy debate ended in the Federal Assembly, to be continued after Cosic and Panic returned from Geneva. The taking of the building of the federal MUP [Ministry of Internal Affairs] took place only on Sunday, late at night.

So, we had only the first act of the rising tension—the interviews, without the reaching for weapons, which occurred later. Our questions concerning President Cosic, then, pertain to criticism coming from Seselj and Jovic expressed from the speaker's stand in the parliament, to Slobodan Milosevic ruling out a signature for withdrawal from Prevlaka, and to the failure of the roundtable and the danger of civil war if elections do not occur.

The second group of questions is related to the activity of Prime Minister Panic: approval of what he has done in the first 100 days, the meeting in Pristina with Rugova, the outcome of the announced vote on confidence in the government, the conditions for removal of the sanctions, and the preparations for getting through the winter (fuel and canning).

Although the speeches by Vojislav Seselj and Borisav Jovic against President Cosic surprised the public more because of their style of immoderate ferocity than their content of disagreement, our question was worded with extreme neutrality: "Who do you trust more, Cosic or his critics?" This time, the roughness of the critics did not pay off. Cosic was more persuasive for a majority of those surveyed, more than a fourth declined to answer, and only one out of seven stood by the critics (see the table in the box).

"It was Jovic who got us here, with the help of people like Seselj," answered Djoka Brankovic, a 60-year-old farmer from Goric near Valjevo, an adherent of the SPO [Serbian Renewal Movement].

This farmer's view is perhaps colored by the party to which he belongs, but that cannot be said of all those who in this case were on the side of President Cosic. Those uncommitted to party were equally consternated by what they saw in the Assembly, as were members of the opposition (only 4 percent of the uncommitted and sympathizers of the opposition supported the critics, while 57 percent of the uncommitted and 91.5 percent of the oppositionists stood with Cosic). It is evident that Borisav Jovic confused even his followers with his change in style from the fact that a majority of them did not accept that style (41.5 percent), and more than a fourth sided with Cosic (26.4). What was disregarded in Seselj, who since he has appeared on the political scene has been a disheveled ruffian, is not allowed to pass in the case of Jovic, who up to now has always been a polished compatriot (he added only native accents to the European appearance of a statesman).

It is really a wonder that the age groups do not differ significantly in evaluating this debate in the parliament. Cosic is supported to the highest degree by the middle-aged, and least by the elderly, while the young are in the middle, but the differences are minimal (only 2 percent above and 2.5 below the average). Likewise, the elderly support the critics somewhat more than the young (again with a 2-percent deviation from the average). What is interesting here is that one would rather have expected the young to accept the "freer" expression concerning the president of the state from the speaker's stand in the parliament.

The case for the withdrawal from Prevlaka was obviously not made convincingly enough for the people even three days before its agreed realization. Again the telephone public is divided, with a slight predominance of those who do not understand that decision, just as in the NIN Forum which we surveyed on 3 October. This time the question was worded more sharply: "Milosevic has openly said that he would not sign an agreement with Tudjman on Prevlaka, as Cosic has done.... Whose side are you on in this dispute?" At the same time, the resistance to the agreement is probably somewhat weaker now than two weeks ago (44 percent as against 47 percent), as also is the support (41.5 as against 42.5), and the number of undecideds is somewhat higher (14.5 as against 10.5).

However, there are significant differences between the age groups. While the elderly are distinctly against withdrawal from Prevlaka (58 and 31 percent), the young people are just as distinctly in favor of that decision (55 and 33 percent). There is no question about party-oriented differences: Whereas four-fifths of those who support the ruling bloc side with Milosevic in this dispute, and only one-eighth side with Cosic (81 and 13 percent), adherents of the opposition support Cosic with the same immense majority (81 and 13 percent).

The Game Over the Roundtable

President Cosic determinedly called upon the roundtable of the government and opposition to agree on the

election law by 16 October, when the session of the federal parliament was scheduled, so that the parliament could adopt it and the president could call elections for the end of the year. It was clear on Saturday that the election law has been postponed again for some better occasion, so we asked the participants in the unscheduled NIN Forum: "Whose fault is it that there is no agreement—the government or the opposition?"

The citizens have no dilemma: The government is to blame in the opinion of two-fifths of those surveyed, one-fifth blame both sides, and a third blame the opposition. There were very few undecideds (see the table in the box).

The elderly put the blame more frequently on the opposition, but neither do they consider the government innocent (40 and 31 percent), while young people, by contrast, attribute the greater blame to the government (43 and 30 percent).

If both sides hold fast to their positions and there is no election this year, many people warn that civil war in Serbia becomes a real possibility. Some parties have their own "paramilitary formations," quite a few weapons are in the hands of individual citizens, and an intensification of the political struggle could easily grow into armed combat.

How real is the danger of civil war in Serbia? Most of those surveyed believe in the cry "Serb will not go against Serb!" but it is not negligible that one-third of the respondents are worried. How present this option is in people's minds is evident from the fact that very few of the respondents do not have their opinion on this point (see the table).

A woman doctor from Lesnica near Loznica thinks that this is a case of some people "just taunting the bear" (age 57, close to the SPS [Socialist Party of Serbia]). A retired woman from Grdelica also draws an analogy from the animal kingdom: "The wolf is not going to strangle the wolf, it will be more a case of provocation" (age 54, SPS). Some people trust in the strong arm and authority of the government:

"When we feel the strong arm, we all calm down" (worker from Kragujevac, age 42, SRS [Serbian Radical Party]).

"I do not believe it will happen, because the Federal Assembly will put a stop to it" (Gavrilo Ilic, age 66, pensioner from Kovin).

But some place their trust in reason: "I still rely on the intelligence of this people, although that sounds insane" (an instructor of plant pest and disease control from Leskovac, age 27, adherent of the DS [Democratic Party]).

Among those who are worried, some are worried by the general situation, like the retired woman teacher from Krusevac: "This is a major crisis, and people are very dissatisfied, but they do not see their way to a solution"

(close to the DSS [Democratic Party of Serbia]). But more are worried by the aggressiveness of those who do not think like them:

"The Socialists and Radicals do not want an election, because they want to remain in power and to fish in muddy waters during the social unrest" (student of electrical engineering from Kula, age 19, RDSV [Reform Democratic Party of Vojvodina]).

"I am afraid of civil war because the opposition is ready for anything" (Zivojin Stojanovic, teacher of literature from Grdelica, age 49, SPS).

Support for Panic

Prime Minister Panic can be happy about the grades given him by the telephone public: Two-thirds predict that he will once again win the confidence of the federal deputies if there is a vote in the Assembly, more than half support his meeting with Rugova in Pristina, and approval of his first 100 days is twice as great as disapproval, and a majority see termination of the sanctions, as he does, in fulfillment of the conditions of the international community, Milosevic's stepping down from power, stopping the war in Bosnia, and respect for the rules of behavior that apply in the rest of the world.

Panic seems to have preserved his initial image of a "man of hope" during his first 100 days.

"He has done much more than anyone before him in that time" (a woman electrical engineer from Gornja Toponica, age 36).

"He is a new man, and I still have not found fault with him" (retired woman from Pricevici near Valjevo, age 67).

"I am satisfied, but what he achieved was not in proportion to the effort expended, because the Serbian leadership has been harassing him" (female student of production engineering from Zajecar, age 28, adherent of DEPOS [Democratic Movement of Serbia]).

The meeting with Rugova met with intense disapproval in those who advocate a strong-arm policy toward the Albanians in Kosovo. Nevertheless, a majority of the participants in the unscheduled NIN Forum (although themselves mostly Serbs) supported Panic's policy of negotiation and compromise, although the minority of opponents of that policy must not be neglected (two-fifths continue to think that the Albanians "should be forced to respect the laws in effect").

Support for negotiations in this case comes mostly from a general peaceful attitude ("Perhaps more can be achieved by being nice" or "I favor a peaceful solution") or from the insight that what has been done up to now has had no result ("It is late for coercion"). But there were also quite a few people who are restrained and skeptical in approaching these negotiations ("...and also force them to some extent," "...but not to promise them as much as Panic has promised," "...but also with

inhabitants of Serbian nationality in Kosovo, because this also concerns them").

This time the age groups do not differ at all, which in and of itself forces one to reflect. Why such a uniform division concerning the Albanians? And at the same time they all have a position (the 2-percent "do not know" in all age groups can be ignored).

Among young people, there is somewhat greater confusion and concern just in advance of the new vote on confidence in the Federal Government (23.3 percent undecided and 18.3 expecting the government to fall), and a somewhat lower confidence in the solidity of the government (58.3). The elderly on the other hand are considerably more optimistic (69 percent), and less often pessimistic and undecided (14.5 and 16.4 percent, respectively).

Party orientation had no essential effect on expectation of the outcome of this vote, although the oppositionists are considerably more optimistic (81 percent as against 58.5 percent in those who support the ruling bloc).

When it comes to the sanctions, then we see that the young people give considerably more support to Panic's policy than the elderly (73.3 as against 60 percent), although even among the elderly there are not many adherents of the hard line toward the "world conspiracy" (20 percent mention only firmness as the way to get the sanctions removed, and another 7.3 percent refer to a variety of other conditions).

[Box, p 22]

Cosic and His Critics

Yesterday, Dobrica Cosic spoke in the Federal Assembly, and he was criticized by Vojislav Seselj and Borisav Jovic, among others. Who do you trust more, Cosic or his critics?

Opinion	Percent
Cosic is more convincing	57
Seselj and Jovic are more convincing	14
Do not know	29

[Box, p 22]

Disagreement at the Roundtable

President Cosic called upon the roundtable between the government and opposition to agree on the election law on 16 October, but they have not been able to agree at all. Whose fault is it that there is no agreement—the government or the opposition?

Opinion	Percent
The government is to blame	39.5
The opposition is to blame	33.0
Both are at fault	19.0
Do not know	8.5

[Box, p 22]

The Danger of Civil War

Some people are warning that there could be civil war in Serbia if both sides hold fast to their positions. What is your assessment, how real is the danger that instead of elections there would be armed combat between paramilitary formations of the various parties?

Opinion	Percent
Serb will not fire on Serb	57.0
There are many weapons; the danger is real	34.5
Do not know	8.5

[Box, p 23]

Panic-Rugova Meeting

Prime Minister Panic met the other day in Pristina with the Albanian leader Ibrahim Rugova, which does not exactly have universal approval among Serbs. What do you think, should we negotiate with the Albanians or should they be forced to respect the laws in effect?

Opinion	Percent
We should negotiate with the Albanians	57.5
They should be forced to respect the law	40.5
Do not know	2.0

[Box, p 23]

The Vote of Confidence

What do you expect from resumption of the debate in the Federal Assembly and the vote on confidence in the federal government: Will the government fall or will it win confidence again?

Opinion	Percent
The government will again win confidence	64.5
Do not know	19.5
This time the government will fall	16.0

[Box, p 23]

Prime Minister Panic's First 100 Days

Soon the first 100 days since election of Panic as federal prime minister will expire, and it is time to evaluate his results. How satisfied are you personally with what Prime Minister Panic has done?

Opinion	Percent
Satisfied	37.5
Up and down	21.0
Dissatisfied	15.0
Very satisfied	13.0

Opinion	Percent
Very dissatisfied	8.5
Do not know	5.0

[Box, p 24]

Conditions for Removal of the Sanctions

Upon what does the duration of the United Nations depend?

Opinion	Percent
On Milosevic's stepping down from power	29.5
On cessation of the war in Bosnia	25.0
On our respect for rules of behavior in the international community	22.5
On our firmness in resisting the world conspiracy	19.0
Other	17.5

Note: The percentages do not add up to 100 because the respondents were able to name more than one response.

[Box, p 24]

Composition of the Population Surveyed

Although the occasion for the unscheduled NIN Forum was the increased tension in relations between Cosic and Milosevic, we began the interview with what is bothering everyone—how to stay warm this winter. This helped us to finally get an equal number of men and women from those with whom we talked who agreed to be interviewed.

As is usually the case, the level of urbanization was precisely covered in advance, because we took 47 percent of the telephone subscribers from rural areas, 33 percent from the towns, and 20 percent from the large cities. The age groups were also approximately the same as in the electorate: 30 percent under age 35, 42.5 percent middle-aged, and 27.5 percent over age 55.

The level of education, however, it seems, cannot approach in a telephone survey the pattern that prevails in the population. Among the participants in this NIN Forum, 22.5 percent had an elementary school education or less (while this is true of 66.6 percent of adults in the general population!), 54 percent had secondary education (instead of 27 percent), and 23.5 percent had more than that much education (instead of 6.4 percent). So, in interpreting the results we should bear in mind that our sample is considerably better educated than the average.

As the scheduled/unscheduled elections approach, supporters of the government and opposition more and more approach numerical equality in the NIN Forum, although the number of uncommitted is not dropping (50 percent). The most frequent answer to the question "Which party do you like best?" was the SPS, which has usually been the case (20.5 percent this time, as against 30.5 percent the last time), and then the DS (8 percent), the SPO (6.5 percent), the SRS (5 percent), while the other parties and opposition coalitions (DEPOS and the GSS [Citizens Alliance of Serbia]) occur more rarely. To meet the needs of statistical analysis, we grouped the adherents of the parties according to the expressed, although not always explicitly, similarity of their political position. Thus we had on the one side the SPS, SRS, SK-PJ [League of Communists—Movement for Yugoslavia], and SDS [Serbian Democratic Party], and on the other the DS, SPO, DSS, DEPOS, GSS, and the smaller opposition parties (with 26.5 as against 23.5 percent).

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